# Interview with Thomas Stern

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

THOMAS STERN

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*Q: As in all of these interviews, we would like to start with something about your background, where you grew up, where you went to school and so on.*

STERN: I was born in Karlsruhe, Germany, the sole child of a German lawyer and an Italian mother. At age 4 (in 1932), we migrated to Italy, when Hitler came to power in Germany. My father had the good sense to foresee the future for Jews in Germany and left before any action could be taken against us. We also had the good fortune of having an alternative option for a domicile. My paternal grandparents did not and therefore suffered. As history clearly indicates, not enough Jews left Germany and those that left after 1938 found it much more difficult to find asylum.

We moved to Florence, where my maternal grandparents lived. First we lived with them and then moved into our own apartment. My father became the manager of one of my grandfather's textile factories, which were located in Prato, a town near Florence.

I attended elementary school in Florence, becoming fully indoctrinated with the virtues of Fascism. Then, in 1939, as the Nazi influence increased in Italy, my parents applied for immigration visas to both Australia and the United States. The U.S. visa came through first, primarily because my mother remained an Italian citizen and therefore both she and I were placed on the Italian immigration quota. My father, being a German, had to be placed on much longer waiting list and had to go to England to wait his turn.

So in 1939, I had my first contact with the American Foreign Service. Our immigration interview took place in Naples, in the Consulate General. I still remember the occasion as if it had taken place yesterday. My mother sat at a desk across from two American officers who interviewed her. I sat a few feet behind her on a bench that was placed along the wall of the office. I don't remember the questions that were asked, but it was a very sober atmosphere. I don't remember any smiles, much less laughter. Eventually, the visas were granted and we left for the United States in April, 1939. We landed at Ellis Island and went through immigration procedures there. The hall in which were processed was a long one with lots of tables and benches. We were first accommodated by friends of my grandparents who had sponsored our immigration and gave my mother room and board. She worked for them for many years as their house-keeper and cook. There really wasn't any room for me, so I went away first to Princeton, where I lived with Albert Einstein's secretary, Mr. Meisel. He had a son about my age and we went to sixth grade together. I didn't speak any English, so that his presence as a translator was very helpful. Not only did I have to learn a foreign language, but I also had to learn the strange ways of the American culture, which at that time was considerably different from the Italian life that I had assimilated.

In the Fall 1939, I began my education at a Quaker boarding school-Westtown School — near Philadelphia. I finished that very fine education in 1945. In 1941, my father finally received his immigration visa and left England. Unfortunately, his ship—The City of Benares-, filled with English children being sent to Canada to escape the Nazi bombings and immigrants, was sunk at sea by a German U-boat and my father, along with most, if not all, passengers drowned, He was 42 then. His ship was not the only one that was torpedoed; the German policy of sinking as much shipping in the Atlantic as possible was not well received then or by history subsequently.

After Westtown, I went for a summer to Earlham College, a small Quaker school in Indiana. In the Fall 1945, I entered Haverford College, from which I graduated in 1950. My academic work was interrupted by a tour in the U.S. Army Signal Corps, where I did not distinguish myself as a telephone wire layer in Alaska. As a matter of fact, I kept falling off the poles so often that my unit commander finally decided that my safety would be better insured at a telephone switchboard. My military career was not a distinguished one and I was glad when it was completed and I was back in academia.

Haverford had a very good liberal arts faculty. I took a few courses on international relations, but I did not have any intention at the time to becoming involved in foreign affairs. I saw my future in the management area, particularly at some governmental level. For one, it was an area that interested me; secondly, I felt some compulsion to repay the United States for the generosity it had extended to my mother and me. I had a sense of obligation.

As my four years at Haverford came to a close, I applied and was accepted by both the Harvard Law School and the Syracuse University Maxwell School of Public Administration. I should note that since this was 1950—that is soon after the war—it was somewhat easier to get into graduate schools than it is today. My decision to attend Maxwell was made on the very practical grounds that I could not see myself continuing in an academic atmosphere for another three years. Maxwell required only one year to qualify for a Master's Degree. As I learned after a while, Syracuse's greatest strength was its ability to place its graduates. It had a wide network of former students spread throughout the Washington bureaucracy and in state governments. Maxwell made a real effort to place its graduates and to cultivate its alumni network. I think in some respects that this is an important aspect of graduate school and I now counsel young people who are considering going to graduate school to look at the school's placement program.

During my year at Syracuse, we took a number of tests—written and oral—which would have qualified us for employment at either the federal or state levels. At graduation time, I had a choice of working for the State of New York in Albany or for the Federal Government. I had passed the Junior Management Intern examination, which at that time, was the key to a professional entrance level position in Washington. There were two or three offers made to me as was the case of most of the individuals who passed that exam. One of the offers was from the Department of State—specifically from Herman Pollack, who then was the Deputy Executive Director of the Bureau of European Affairs. I decided that in light of my background and my interest in management that the EUR offer was the most attractive. That is how I came to the Department of State.

*Q: What was your first job in the Department?*

STERN: I started as an Assistant Budget Examiner in EUR. I worked for Harris Collins, who was the Bureau's budget officer. He had the reputation of being one of the Department's best budget officers, so that I learned from one of the best. My main task was to develop the Bureau's annual budget for submission to the Department's central budget office, then the Bureau of the Budget and on to Congress. I quickly learned that the budget was pure fiction because the system in the early 1950s co-mingled the expenditures of the Department with the administrative funds of other agencies. That is to say, other agencies reimbursed the Department for the costs of supporting them administratively especially in overseas posts. The post kept their expenditures on a gross basis; it was up to Washington to separate out arbitrarily those costs that might have been incurred on behalf of other agencies. We did have some work-load statistics—payroll, messages, transportation—which we tried to apply to the administrative costs at a particular post and use those statistics to designate the other agencies' expenditures. But essentially, it was a lot of guess work and any relationships to the facts was purely incidental. My job was to make sure that when I added up the various columns—one for each category one of expense—they would equal the total both across and down. We knew what had been allocate to EUR during the fiscal year and therefore the totals were a given. We also knew what each agency had provided the Department for administrative support and therefore it was just our mathematical calculation to hit those totals. It was not a professionally challenging task because it was strictly a matter of mathematics.

It was, however, an experience that I will not forget. We worked in an annex on 23rd Street. These were World War II temporary buildings. They were unairconditioned and by that time, in fairly disheveled condition and due for demolition in the near future. The budget cycle at the time went from July 1 to June 30 of the following year. That meant that the summer was really the busy season for budget examiners. Not only did we have to take the June 30 obligations and break them down as I described before in preparation for the following year's budget cycle which started in the Fall, but we also had to allocate the current year's budget to our field posts. I will never forget sitting at my desk with sweat pouring down into my eyes, trying to make the work-sheets add up so that we would not be caught in our own fiction. The heat was so unbearable that on a number of days, all employees were permitted to go home when the temperature and the humidity reached certain levels. We could not because of our work requirements, but we did manage to find a compromise which permitted us to go home in the afternoon with the understanding that we would return around four or five p.m. and work until eleven o'clock or midnight. We in fact adopted the southern Europe and Latin American work habits. That schedule was of some help because those barracks could be unbearable in mid-afternoon. In any case, my experience in EUR was the beginning of my education in the budget process—resource allocations—which was to be a subject that I frequently encountered during my career in the Department. Despite what one may think of the process today, it is certainly closer to reality than it was in 1951-52. As I said, it was pure fiction then and essentially a mathematical exercise bearing little resemblance to the real world. Our interest then was essentially that the totals met the targets figures that had been established.

I should also note that the Department had established a training course for its Junior Management interns which provided us with a somewhat broader understanding of the Department than any of us received from our jobs. This was an elementary effort and a far cry from what the Department's training efforts became later. Except for those periodic training sessions, the EUR budget office lived in its own world, both physically and substantively. We did not have much contact with our fellow employees in the Main State building. You have to remember that in the early 50s, the Department was not known as a pioneer in management; as a matter of fact, it probably barely passed muster, but to its credit, I guess, it recognized its limits and only very reluctantly accepted some war time functions that had been managed by independent agencies. In fact, history tells us that the Department only took on those assignments when President Truman insisted. The fact was that the Department did not have much management talent and the Foreign Service had little, if any, interest in the subject.

1952 was an election year. Eisenhower won that one and came into office in January 1953. One of the first actions that the new Secretary of State—John Foster Dulles—took was to reduce the size of the Department. That meant the abolition of many positions and a reduction-in-force, which meant that the newest employees were given “pink slips”. I was certainly in that category and was one of the recipients of that message. Fortunately, Herman Pollack came to my rescue and through some bureaucratic sleight of hand, managed to have me transfer to the Foreign Service Staff Corps. I was then assigned to that hardship post called Rome, Italy. I went there as the Budget and Fiscal officer.

That was a good assignment. In the first place, I knew part of the work well. I had some idea what was expected from an Embassy in the way of budget submissions. I worked first for Bill Boswell and later Bill Crockett, when he was assigned to Rome as the Deputy Administrative Officer. Both were very good supervisors. They essentially left me to my own devices and had enough confidence in me, despite my age, to let me develop the Embassy's budget and supervise its Fiscal section. That was the section that kept the fiscal accounts and approved all bills for payments, which were made by the Disbursing Officer, who at that time was a separate entity responsible both to the Administrative Officer and the Treasury Department. I am not sure that the confidence was necessarily well placed because I was entirely a novice in the fiscal area.

The fiscal work was done by a dozen or more Italian local employees. Most of them had been with the Embassy at least since the end of the War and knew their jobs backwards and forwards. As I said, they used to make up the vouchers for payments, which I would approve before they went to the Disbursing Office. They came to me by the dozens, day after day. I had not the slightest idea what I was doing. Had there been an inappropriate payment, the law held me responsible and liable.

I learned a lesson in Rome. One day, among one of the stacks of vouchers that I signed, was one which authorized payment of a million lire to the “Man in the Moon”. I didn't catch it because I gave most of the vouchers only a cursory glance, if one at all. Fortunately, the employee who had perpetrated this scheme, brought the voucher back and showed me what I had done. From then on, I became a little more careful and reviewed all vouchers, although because of the work-load, none ever received the scrutiny that they probably deserved. The fiscal process was essentially a standard one, with very little room for judgement. The emphasis was on the mechanics, i.e., that all requisitions had been approved by the responsible officer, that some one signed to show that the goods and services had been received, and finally that there were adequate funds for payment. It was not an intellectually challenging process. It was mostly a matter of trying to expedite a system which was laden with so many checks and balances that timely payments to our vendors were very difficult. It was one of those jobs held always by Americans which raised the question—often asked, but seldom clearly answered—why an American had to supervise an operation which the local personnel were perfectly competent to manage on their own. It is a question that I wondered about frequently during my career, but which has not been answered satisfactorily to date.

What I remember most clearly about Rome was my office. I never had a splendid office like it before or thereafter. The American Embassy in Rome is in an old palace. It had, between it and the street, a building which probably had served once upon a time as the servants' quarters. In that little palazzo the Budget and Fiscal Office was located. My office must have been at least 600 square feet. The most impressive part of it was the ceiling, which was two stories high. The ceiling had a fresco painted on it. It wasn't a masterpiece, but there is something soothing about being able to look up and see little cherubs playing on the ceiling. We of course honored siesta time at the Embassy and, periodically, I would eat a quick snack at the cafeteria and then lean back in my easy chair and watch the ceiling. It was one of several advantages of living in Rome. A few years later, the Embassy had to find more space and made that office into two by adding a ceiling half way up. That gave them a two-floor office, ruining the whole ambiance.

*Q: Who was the Ambassador when you were there and how did the Embassy operate?*

STERN: The Ambassador was Clare Boothe Luce. I was at the bottom of the chain and yet, even there, one could tell that there were certain tensions in the upper echelons, e.g., Luce and her DCM, Elbridge Durbrow. It was a high-powered Embassy, staffed with a number of “old lions.” Outerbridge Horsey III was the Political Counselor, and Bill Boswell the Administrative Officer. I don't remember who the Economic Counselor was, but undoubtedly some one from the same “club.” So the senior staff was all old professionals who probably had little sympathy for a career appointee and especially one that was a woman. Her knowledge of Italian affairs was probably far less than theirs, but she had far better contacts in Washington than they did. She probably didn't like them anymore than they liked her. I don't know whether the famous story of her lecturing the Pope had any truth to it, but I feel certain that the Embassy did not work as a team; it was centrally directed. We used to hear stories periodically on how things were going in the ambassadorial suite and not everything was sweet. Letitia Baldridge was Luce's social secretary, so you can see that there was a lot of talent in the Embassy, most of which rose to higher ranks later on.

The story I remember the best about Mrs. Luce was that concerning her poisoning. I have some recollection of that because, as part of my job, I had to be acquainted fairly thoroughly with our physical plants. I had been in the servants' quarters on the top floor of the residence, which were right above Mrs. Luce's bedroom. I walked on the ceiling and I can well imagine that some flakes of paint may have fallen from that ceiling if someone walked across it; it was not that sturdy, and the ceiling may well have shook a little and the paint could have peeled off. I am sure that since we bought the cheapest paint around, it did contain lead, some of which may have fallen in her breakfast, which was served to her in bed. So there may well have been some basis for her accusation, although it probably did not deserve the hysteria that she and others developed over it.

Life in Rome was a very pleasant one, as you can well imagine. The senior staff lived in a magnificent old villa across from the Borghese Gardens. The DCM had the top floor, the Political Counselor the next one, the Economic Counselor the next one. The servants' house was occupied by the Administrative Officer or his deputy; I don't remember exactly. Most of the staff lived in two apartment houses in the Parioli section, well taken care of. I started sharing an apartment with a fellow by the name of Stan Wagenheim; then I had one to myself. It was not hard to take.

*Q: You stayed in Rome from 1953 to 1955, a little less than two years. Then you came back to Washington to work for the assistance agency.*

STERN: Right. I left Rome both for personal reasons and because I was getting bored with the job. In fact, my personality at the time did not fit the Italian mode. I could not get used to always “Domani.” Also I thought that my career in the management field would be enhanced by a Washington assignment. One day, I received a cable from the International Cooperation Administration (I think that was what the assistance agency was called at the time) offering me a position as a management analyst in its Management Office. That offer was made because one of my Syracuse classmates was working there and she had recommended me to her boss. The ICA Management Office was growing at the time and it was looking for additional staff. I accepted the offer readily.

So I returned to Washington and became a management analyst in ICA. The Agency at the time had both a management shop and an Office of Public Administration. The former was responsible for internal management; the latter for technical assistance to other governments in the field of public administration. It was never clear to us whether that assistance was useful to the other governments or whether this was a matter of the “blind leading the blind” in light of the inefficiencies that we could see in our own operations. We had some questions about whether American public administrators were the best that the world had to offer to the under-developed world. It was true that our assistance emphasized in many places, aid to local levels, not only because it was needed, but it was one way of instilling greater democratic practices in countries that had had very little experience with that form of government. The emphasis that we often placed on local governments detracted from the power of the center—the Capital—and thereby gave local populations a greater stake in their government. It is a strategy which has not been sufficiently studied nor given enough credit. The fact that the populations of municipalities had to become involved in such issues as transportation or education or public safety made them much more aware of their stakes in the central management of their countries. In some countries, like Greece, our public administration strategy was a conscious one. The assistance mission intentionally provided public administration advice to localities to stimulate local participation in countrywide policies and to decentralize the management of the country's internal affairs. The same process worked in other countries as well even if not intentionally programmed for the purpose of fostering democratic practices. It may have been an unintended consequence, which has not been sufficiently researched and evaluated.

My assignment was an interesting one because each analyst was responsible for a functional bureau and a regional one. We provided assistance to the bureau's leadership if management problems arose. We also controlled the staffing both for Washington offices and overseas posts. That is to say, any additional positions that a bureau requested had to be approved by our office. We also had some say in the operating instructions that were issued.

I happen to draw EUR as my regional bureau. My first assignment was to close a number of aid missions in Europe. By this time, the Marshall Plan had pretty well faded out and many of our missions in Europe were programming what were called “counterpart funds” which were the recipient government's contributions to the assistance program in their country. The American dollar contributions had long ceased, but there were these still sizeable local currencies available for economic development. The new Administration, quite rightly, decided that there were others ways to take care of the local currencies besides having an American supervisory presence in a lot of European countries. It was a very painful struggle because the few Americans left were very reluctant to see their jobs being abolished. So I went to Norway, Denmark, Belgium, The Netherlands and Portugal and closed the missions despite all the reasons that the heads of those offices could dream up. It took sometime and perseverance, but the missions were finally closed. As far as I know, no great damage was ever done to U.S. interests because there was no more ICA representation in those countries.

I worked with some fine people in that management office, some of whom, like Bill Kontos —later our Ambassador to the Sudan— and Eli Bergman, I still see. The whole office was staffed by bright and energetic people, mostly young, and was, in terms of quality, probably one of the best that I ever encountered.

*Q: Then in 1956 you became the special assistant to the Deputy Director for Administration of ICA.*

STERN: Right. I worked for a Foreign Service officer by the name of Ken Scott. He had been detailed to ICA to be the senior administrative man in the Agency. Bill Shepard was his deputy and I worked for both of them. Both were very able; Bill in particular was a fine and very intelligent person with a very wry sense of humor. How I came to their attention, I still don't know although I suspect that my boss in the Management Office, Bob Biren, may well have recommended me. I was delighted to have the opportunity to see how an agency was managed from the top. It was different perspective from what I had been accustomed to. I was the principal “paper chaser”. I kept track of their decisions and made sure they were implemented. I kept the paper flowing as smoothly as I could. My contributions to the substance of the operations were minimal, but it was a good learning experience. It was also a rather busy office, so that I spent a lot of time there.

*Q: Then you went to the Office of Personnel for three years.*

STERN: Right. That was an interesting period. It was another indication of how little control you have over your fate. I told you earlier that it was Herman Pollack who employed me after graduate school. His boss, the Executive Director for EUR, was Arthur Stevens who was an old bureaucrat from Kentucky. When Scott became the Deputy Assistant Administrator, he hired Stevens to be the Director of Personnel for ICA. After a while, Stevens asked me whether I would be interested in coming to work for him. I agreed and went to work on Personnel. That assignment was notable for two reasons: 1) I met Vivian, who would become my wife and 2) I became acquainted with a large variety of personnel functions. Stevens used me as a “floater”. I worked in the Recruitment Division, I worked in the Placement Division, I worked in the Classification Division and even headed up a Personnel Planning Staff. I was almost like a trainee. Stevens moved me from one Division to another depending an where he thought he needed another hand. So I received a broad education in the various personnel functions. As you can see from my total time in Personnel, I never stayed in one Division for very long; Stevens kept moving me from one Division to another. It could have been that I goofed wherever I went; I hope that wasn't the case, but in any event I was very mobile. It was a wonderful experience for me because it really broadened my understanding of the personnel function.

*Q: What was your impression of that personnel operation because all the various assistance agencies have always been considered "temporary"? But I believe that it was developing career patterns for good and valid reasons.*

STERN: It was a confusing situation. We made it clear to all newcomers, particularly those who participated in technical assistance programs, that the Agency was a temporary one. It may well have also been that this was one of reasons why the Agency contracted out a lot of its programs, particularly to land-grant colleges. There were a lot of other reasons for that, including domestic political ones, but the fact was that the Agency was not really in a position to develop career ladders as most other government organizations do. To do so would have been difficult at best because so many of the Agency's personnel was devoted to technical assistance programs. Those, by their very nature, will vary from country to country. The heads of the various technical assistance divisions in the field could be "career" employees, but the actual advisors could never be assured of another assignment because the Agency could never guarantee that another position requiring his/her skills might be available. Of course, a number of the technicians served in the Agency for many years, but it would have been very difficult to have projected a career ladder for them. So our initial recruitment was usually for a specific position with no guarantees for an onward assignment after that.

So the fact that the Agency was a temporary one was for the substantive people not a major issue. Most of them fully expected to return to their private pursuits after a term or two with the government. A number of them, of course, were recruited from other government agencies and their service with the assistance agency probably stood them in good stead. There were of course a number who became fascinated by the process of technology transfer and stayed with the assistance agency for a long period of time. They made a career in the Agency. That was also true for the administrative people whose skills could be used in many missions and in Washington. Eventually, the Agency made some effort to develop careers for some of their employees, but that was mostly after my time in Personnel. I have the feeling that even today perhaps the lack of permanence has some psychological effect on AID and its staff, although it has now been around longer than some Cabinet Departments. Career planning, particularly in the technical assistance personnel, was a hit or miss proposition. One other reason why the Agency never developed a good career development program was because its evaluation process was relatively primitive. ICA and its successors is an agency which could physically measure the results of much of its effort. If you are going to assisting the construction of a road, if you are going to assist to increase agricultural production, if you are going to assist in the development of an educational system, if you are going to assist in increasing the delivery of health services, then you have tangible goals against which progress can be measured. Yet the substantive evaluation process of the assistance agency, regardless of any period that one might wish, was very primitive. As far as I know, even today, AID lacks a rigorous evaluation process which enables the Agency to have some documentation on what worked and what doesn't. The lack of a good substantive evaluation process was detrimental to career planning because we had to rely on personnel ratings, which are notably deficient, and “the word of mouth”. So we operated, as is the case, I suspect, in many agencies, by personal reputation and personal friendships. That was not necessary because, as I said, unlike many agencies, the assistance agency dealt often with services that led to tangible products which could have been measured and documented. It was a lost opportunity not only in terms of “what worked”, but also in terms how effective various people were.

*Q: After your personnel assignment, you moved to the Bureau of Near Eastern Affairs.*

STERN: Right. While working in the Personnel Office, I became acquainted with people who worked in NEA. In 1960, I was offered a job of program officer in that Bureau. That was a high sounding title for budget officer. It was my first real experience in a process which tried to marry substantive programs with financial resources. No projects could be implemented until we had approved the use of financial resources. It forced the Bureau and its missions into some type of determination of priorities. It was not a very vigorous discipline because at the time the Agency did not suffer from a shortage of financial resources, although undoubtedly some projects were not initiated because of the lack of funding and others may have been terminated earlier than the technical assistance personnel involved may have liked. Nevertheless, the process meant that an annual review of all projects was undertaken and some priorities established. If the project survived the review process, which involved the program office, then it would be included in the budget and subsequently hopefully approved by the Bureau of the Budget (BoB) and the Congress. That experience was further evidence to me how inadequate the budget process of the U.S. government really was. As I suggested earlier, we had a very primitive evaluation process which did not really contribute to a disciplined review of each project. We did not really know how effective the project was or what we could expect from it in the future. Because the projects were primarily small ones in terms of dollar costs, the review process both at our level and beyond us at the BoB and Congress was quite summary. Most of the projects went by unreviewed; if we had had a rigorous evaluation process, a number would undoubtedly been terminated before “completion”. Furthermore, I suspect that when the Agency sent out a team of experts to see whether a certain project in their field should be started, in the vast majority of cases, the experts recommended its initiation. I may be too cynical, but I believe that most survey teams will bring back a report which will either recommend that a project be initiated, or continued if perhaps with some modifications. Very few will bring back negative reports. Those reports invariably resulted in multi-year projects; that is a problem that the management experts of this world have never solved. The teams saw their efforts as targets of opportunity. The division of the spoils was left essentially to the aggressiveness of mission directors. If a mission director was particularly insistent and had good contacts in Washington, he was bound to get his financial requests fully or mostly honored. It also helped to have aggressive desk officers, both in the Agency and the Department of State. The more laid-back mission directors, regardless of the merits of their case, would be left the scraps.

*Q: Did you have any views by this time of the value of foreign assistance?*

STERN: You have to remember that I was stationed in Washington. I had to rely on essentially on reports from the field, such as budget requests, completion of tour reports and some very elementary and fragmented evaluation reports. To say that we really had a feel for the impact of a program would be to overstate the case. There were certainly some projects that could be visibly deemed a success. But I think most of the efforts were intangible. How one saw the program depending on where one sat. Many projects were of a continuing nature, particularly those in education, public health, public administration. Undoubtedly some were completed, but it is not in the nature of mankind, particularly bureaucrats, to admit that an effort has been completed and be willing to move on to the next challenge. I am sure it happened, but I suspect that it was a rare phenomenon. I have to assume therefore that a number of projects lived longer than they should have; I have to assume that some projects were fated to fail from the beginning; but I also have to assume that a number of projects had a beneficial impact on the local communities and countries. I know that we didn't have a technical assistance dogma, despite the fact that we had been in the business for many years. I am not sure that even today there is a concept of how American assistance can be effective. I have the impression from the little I read about the assistance program that our targets are ever shifting which tells me that there is no generally accepted theory of development. When the question is raised, the answer is usually that it varies from place to place. That has never been a fully convincing argument. In fact, I think that in the last ten years, it has become fashionable to stress the free market economy as the basis for economic development. If the free market is permitted to work, then economic development will follow. Maybe! My experience would suggest that there needs to be more than just that. But I don't think our government or even academia has put any dogma of development through rigorous examination. I suspect that we have missed a lot of opportunities, as has the U.N. and all other donors. As far as I know, the UN and other assistance programs have no feel for what works and what doesn't. I may be doing those organizations an injustice in saying that, but that is my sense. It is too bad because by this time we should have learned something and we should be further ahead in the science of development than we really are.

I don't want my comments to suggest that the people involved in the technical assistance program were not good people. We had a lot of outstanding people. Many of our economists were first class, as were many of the technical people. We did recruit some of the cream of the crop, but I don't think that they were given the opportunity to contribute to an overall theory of economic development. I suspect that all donors have suffered from that and have wasted resources.

*Q: In 1960, you left ICA and came back to the Department to work in the Bureau of Cultural Affairs.*

STERN: In that year, a Mr. Thayer was named to head the Bureau of Educational and Cultural Affairs. It was not yet an Assistant Secretaryship, but I think his title was Special Assistant to the Secretary. He decided to shake the place up. He decided that the Bureau was in a rut and it was time to bring it into greater relevancy. He hired Dick Tyner to head up a planning and policy development office. The purpose of the office was to develop new directions for the Bureau. I had known Tyner slightly, but when he asked me to join him in this enterprise, I agreed. Like many new endeavors, this one was not too well conceived. There was a lot of enthusiasm, particularly in the planning and front offices, but we didn't have a clue of where we were supposed to go. The bureaucracy was not very helpful; as a matter of fact, I think we were resented as the “new boys on the block”. And Thayer was no great leader.

I only remember two things from that short experience. One was that one of my colleagues was Warren Robins who was a devotee of African art. He had collected a large number of valuable items during his tour in the military in Germany. When, towards the end of 1960, it became clear that Jack Kennedy and the Democrats would head up a new administration, he left and founded the Museum of African Art, which now is operated by the Smithsonian

Institution. But he was one of my colleagues and I was one of the first contributors to this new museum.

The planning office was very small—just three or four of us. One of my colleagues was Roy Gootenberg. He was a Kennedy devotee. It was alleged then, and as far as I know, it is still assumed today, that he was passing State Department documents and inside information to Kennedy's staff. For that, he went through some very unpleasant times and when Kennedy became President, he was transferred to the Commerce Department. The Gootenberg episode was a major story in 1960, which has followed him ever since. It was not clear to me what someone in the Bureau of Educational and Cultural Affairs could do to damage the reputation of a Republican Administration or any administration, for that matter, but it was a minor scandal which I don't think has ever been really resolved.

In the brief time I was in that Bureau, not much was done. We lacked direction and after November, it was clear that Thayer would not be around much longer. So my assignment to that Bureau may have lasted for six months. It was not one of the highlights of my career.

*Q: From 1961 to 1962, you were the Director of the Office of Finance in the Department of State.*

STERN: When the Kennedy administration came in, a whole new set of assistant secretaries were appointed. Among them was Bill Crockett, who was named as Assistant Secretary for Administration. He had, after his stint in Rome as deputy Administrative Officer and then Administrative Officer, returned to Washington to head up the Budget Office. As I mentioned earlier, I had worked for Bill in Rome. When he became Assistant Secretary, he asked me to join him as the Chief of the Finance Division. I had absolutely no background in the financial process, except for that bit of experience in Rome which was considerably different from the Washington operations. I was still relatively young. The staff of the Finance Division had been there for years and years, conducting their business essentially the same way their predecessors had done with quill and ink. Crockett wanted to bring the Finance Division into the 20th Century.

I barged in and had my first experience in moving bureaucracy into new paths. I was not a great success. I had a deputy, Andy Wallen, who fought every innovation tooth and nail. He and the rest of the staff quoted the manual to me or could always find a General Accounting Office rule that justified their ways of doing things. I was always threatened with the potential of government rule violation, bringing great disgrace to the Department. I did manage to institute some changes which were essentially intended to be have the Division become more responsive to the cries of our customers. We had a raft of complaints from State Department officials who traveled, who were dismayed by the amount of time it took for the Finance Division to reimburse them for their expenses. I instituted a system of partial reimbursement upon receipt of the voucher, but it was an uphill battle because my staff believed that it was the last bastion of defense for the American taxpayers against those rapacious State Department officials who were all obviously trying to rob the Treasury and therefore had to be scrutinized for every cent claimed. The financial process of the U.S. government was the antithesis of good management theories because it is intended to delay, block, preferably deny any expenditures at all. As I said, the staff had been in that office so long that any change, minor as it may be and as helpful to them as it may be, was just viewed with fear and horror because I suspect they all felt that change might endanger their jobs. It was a very frustrating experience; I had hoped to achieve much more than I did and essentially failed, although others were kind enough to say otherwise.

*Q: Were you involved in the change that came about this time in the payroll system. Under the old way, when you transferred, it took weeks and months for your paycheck to catch up. I remember being stuck literally in Saudi Arabia without any funds.*

STERN: That was one of our problems and I may have contributed to easing it a little. But it really wasn't solved until later when we instituted the concept of centralized payrolls.

That was one of Crockett's innovations: regional finance centers. I did participate in that improvement. That eliminated the problem you just mentioned and expedited payments with fewer people. That was also a difficult change to institute both because it was an employment threat and because it was taking authority away from Embassies. One would have thought that the Department would cease to function if an Ambassador didn't have full authority to disburse moneys. In fact, by that time, communications had improved so greatly that having each Embassy have its own Disbursing Officer and Fiscal Section just was completely outdated. Once the payroll operations were centralized, salary payments were no problem because it didn't really make much difference where the employee was; his records did not have to move with him/her.

But you have to remember that even in the 60s, the Department of State was one of the most primitive management operations in the U.S. Government. I noted with some interest that the latest report on the management of the Department—State 2000—makes the same statement in regard to the Department's use of technology. It found that State was one of the Departments lagging behind most others in this field. First of all, there was, and I gather from that report, there still is a cultural problem. The Foreign Service was too elite to believe that management/administration had much of a role to play and in fact, it did not believe that the administrative people had any contribution to make to the advancement of foreign policy. So there was a cultural barrier to management/administrative improvements. There was also a problem of physical communications. The Department had always suffered from the lack of a modern system. It became especially noticeable, as you will remember, during the Cuba crisis when the inadequacy of our communications system almost had catastrophic consequences. The Department's communications system was very primitive in the early 60s. Defense and CIA rang rings around us in terms of having the ability to communicate with their headquarters rapidly and efficiently. The lack of an adequate communication system impeded the implementation of a centralized administrative system because most of the messages were still being sent by pouch which was just too slow for a centralized payroll system or an efficient centralized procurement system. Those systems could only operate efficiently if the information could be transmitted over telegraphic lines. Until the communications system improved in the early 60s, the administration of the Department did not improve very substantially.

*Q: What was the problem with improving communications?*

STERN: The problem was that the Department's managers were essentially Foreign Service Officers, like Loy Henderson, who although had a good feel for the personnel problems of the Department, had very little knowledge of the great advances that technology was making. Foreign Service Officers had little opportunity to be exposed to the new advances either in telecommunications or computers or other new technologies. These senior managers were quite content with the Department as it was. After all, it had been good enough for them. The pouch had been great and had served their needs. Telephones were great although rarely used because of the security problem, which was finally tackled around this time by the installation of a secure line between the Department and the White House. If information got to the recipient in two or three days, that was adequate. They were just not cognizant of how the world was passing them by in the administrative area. The antipathy toward the use of new technologies seems to genetic in the Department, as the recent Year 2000 report suggests.

The management of the Department was one of the issues that the Kennedy administration worried about considerably. That was particularly true of Bobby Kennedy, for reasons that I have never fully understood. He took quite an interest in the management of the Department although I suspect his concern was more about personnel because he may not have trusted the judgement of the Foreign Service, which he may have viewed as a bunch of stuffed shirts afraid to try new avenues for the conduct of foreign policy. The first thing that the Kennedy administration did was to assign Roger Jones, a senior official of the Bureau of the Budget, as Deputy Under Secretary for Management. Jones was an old time bureaucrat who had a lot of experience and a very good reputation in the field of management. He lasted less than 18 months. He found the cultural impediments in the Department were just too great to overcome. Furthermore, he didn't get enough support from the Secretary. He was basically the White House/Bobby Kennedy choice which was not enough to ward off the Departmental sharks. He also had too little experience with the Hill and was not able to mount the kind of support that a Deputy Under Secretary for Management needed there.

Jones was followed by William Orrick, who had been one of Bobby Kennedy's Assistant Attorney Generals at the Justice Department. He was an expert on anti-trust matters. He was a fine fellow, great mind, nice personality, but he had no background in management. Generalizations are seldom true in specific cases, but I have never believed that lawyers make good managers. Their instincts and training are directed to individual goals and confrontations. Those are not skills that a manager needs and indeed are barriers to good management. Orrick's assignment was not a great success. He brought with him a young lawyer, Murray Bring, who was very bright, but also had had no experience in the management field. From the Department, Orrick selected Brandon Grove to be one of his special assistants. At least Brandon knew the Department, but as a special assistant, could not be expected to fill all the gaps that Orrick brought.

Orrick also did not have a feel for how things worked in this town. He had lived in California where he was a very successful lawyer. He had not had enough exposure to the Washington process. I don't think he understood the importance of Congress, particularly the substantive and appropriation committees. He fell in disfavor on the Hill particularly with John Rooney, then the chairman of the Department's appropriations subcommittee. In the 1950s and 60s, there were three members of Congress who were all-important to the Department: John Rooney (D-N.Y.), Wayne Hayes (D-Ohio) and Senator Fulbright (D-Arkansas). Senator Fulbright was always a problem for the Department; he never saw eye-to-eye with any Secretary, but he had little concern with management issues because he had no interest in the subject. Rooney and Hayes did. If you were not on their “good guys” list, you and the Department were in serious difficulties. I think the Foreign Service and Orrick had a difficult time understanding and appreciating that reality. The lack of support and indeed even tensions with Rooney and Hayes meant that Orrick's days in the Department were numbered. He lasted less than one year as Deputy Under Secretary for Management.

At the time the Kennedy administration came in, at the insistence of John Rooney, I believe, Bill Crockett was appointed as Assistant Secretary for Administration and as I mentioned earlier, that brought me to the Division of Finance. When Orrick became Deputy Under Secretary, either so he could get Bill's input or more likely, so he could watch him more closely, he brought Bill up the Seventh Floor and put him in an office next to him. All other assistant secretaries had their offices on the sixth floor. He listened to Crockett, but kept him pretty much in the background. He did not give Bill a well defined area of jurisdiction. By making that physical move, Orrick in fact also became Assistant Secretary for Administration. He never understood the difference between management and administration.

I was then Crockett's special assistant. So I moved with him to the Seventh Floor and in fact became another special assistant to Orrick. It was not a good set-up. Crockett felt hemmed in, as he was. He did not have, by his own lights, sufficient flexibility to manage the Bureau of Administration. He was able to maintain his contacts with Rooney and Hayes, which eventually played a very important role in his life as well as the Department's. Crockett's contacts with Rooney went back to his Rome days when he hosted the Congressman on one of his annual junkets. He maintained that relationship while being the Budget Officer of the Department and then the Assistant Secretary. It was not only Rooney who had to be catered to, but also his senior staff members, all of whom felt that the Department's continued existence was due to their efforts. Crockett went with Rooney whenever the Chairman traveled overseas; he used to put him to bed often after some of Rooney's nightly drinking episodes.

While working for Orrick/Crockett, I didn't have much sense of purpose. It was a frustrating year because of the Orrick-Crockett relationship and I don't think much happened to the management/administration of the Department during that year. Orrick was very kind to me; as a matter of fact, he was hosting us at a lunch in Georgetown on the day Kennedy was assassinated. That event may also have contributed to Orrick's departure.

When Orrick left, Hayes—this time—insisted that Crockett be promoted to Deputy Under Secretary. I stayed with Bill as one of his special assistants. Crockett had a unique management style which really blossomed when he became Deputy Under Secretary. The style was based on the assumption that every employee could be fully productive if given the right incentives and proper support from the top. He believed in the inherent goodness of man. He did not believe in the need for middle management. He felt that he could give enough guidance to a wide variety of efforts without having an Assistant Secretary between him and the "program managers" as the Office and Division Directors became known. He abolished the Assistant Secretary for Administration position.

His span of control reached out to over fifty plus separate operations. That was completely contrary to all academic attitudes towards span of control; as far as I know, it has never been duplicated in the Department of State. He clustered them in groups representing the major functions of administration: personnel and training and education, general services, budget and fiscal, etc. A special assistant was assigned to each cluster.

At the beginning of each fiscal year, the program managers entered into a compact with Crockett. They would set certain objectives and goals which they hoped to reach during the next twelve months, if they were given certain resources. Crockett would then either approve their resource requests or tell the manager that they would not be available and he/she would have to cut back on the objectives. Crockett also may have suggested some additional or alternative objectives. After an agreement was reached, then Crockett would just ask the program manager to keep him or one of his special assistants informed on progress or problems. As long as the objectives were met, Crockett didn't see the need to give any further supervision to the program manager.

It was the role of the special assistants to make sure that the program managers coordinated their efforts, both with their colleagues in their own cluster or with people in other clusters if that were necessary. I was the special assistant for personnel responsible for the coordination of the Director General, the Office of Personnel (which was then separate from the DG), and FSI. I spent much time placing White House nominees, most of which were for Ambassadorial assignments, but some also who had to be found jobs in Washington. In very rare circumstances were we able to talk the White House out of assigning its pets to the Department. Most of the time, we had to do the best we could, which meant making an interesting assignment for people with the right political connections. These people were either people who worked on campaigns or were friends of the President. I worked first with Ralph Dungan, who was Kennedy's special assistant for such personnel matters. Later, after President Johnson came to the Oval Office, he or one of his special assistants dealt directly with Crockett. This placement process was made much easier by Bill's great imagination. He often used to dream up projects for these White House referrals: the home-leave program for Katie Louchheim (formerly Vice-Chairman of the Democratic National Committee), the major expansion of the Art-in-Embassy program for Nancy Kefauver (wife of the former Senator), the Overseas Education program for Ernie Mannino (a former school administrator), etc.

Crockett's regime was a very active one. In the first place, he was very imaginative; probably the most innovative person I have ever met. Very few days went by without a new idea springing from his fertile brain. Not all of the ideas were good, but his batting average was very high. There is a long list of innovations that he brought to the Department, most of them directed to improving the life of the Foreign Service families, particularly those serving at hardship posts. For example, he increased allowances; he improved educational opportunities abroad for the children, he initiated a diplomat-in-residence program for officers who needed to “recharge” their batteries; etc. The list of very long and most can be found discussed in the oral history I did with Crockett. The totality of his efforts certainly improved the lot of Foreign Service Officers which many chose to not to acknowledge, in part because Crockett was not “one of them”. He had not come up through the ranks after passing the entrance examination. He had been recruited from ICA.

He made the mistake, as I think he himself came to recognize, of trying to do too many things at once. His platter was always full. In addition of being the senior management/administrative officer of the Department, he was also the chief point of contact in the Department for Congress and the White House on administrative matters. Each of those were full time jobs in themselves. So he never had time to really follow up on any of his initiatives or operations in general. Not all of his program managers were competent or sufficiently risk-takers. Where there were personnel weaknesses, the programs suffered because he was not available to give them his personal attention and supervision. Furthermore, he was a very gentle man, always soft spoken and seldom irate. People were not afraid of Bill Crockett and that sometimes can be a detriment. The special assistants tried their best to fill some of the vacuum, but they had no line authority over the program managers and could only be facilitators, not decision-makers and supervisors.

The programs of the Bureau of Administrations were on the whole quite good, but uneven. For example, I think insufficient progress was made in the field of mechanization and the use of new technologies.

*Q: How did Crockett work? When he had a new idea, what would he do about it?*

STERN: To answer those questions, I need to explain a little how the ideas came to him. Many came to him in the middle of the night. He would wake up and go to the boiler room of his house with pad and pencil. He had a small desk there. He would write his idea out addressed either to the program manager or one of the special assistants. If the memo went to the program manager, the responsible special assistant would get a copy and the two would discuss it and take the necessary actions. Sometimes, the special assistant would follow up to monitor the progress, although I think that happened probably too infrequently. There were just too many of these “boiler room” memoranda.

The other avenue for the new ideas I have already described. They were inventions of necessity as in the case of the development of assignments for political appointees. Most if not all of these “candidates” had had no experience in foreign affairs. Most had some experience in some other fields. So Bill would try to use that past experience in some kind of relevant State Department program. I mentioned Katie Louchheim earlier and I will use her as an example. She had been the Vice Chairman of the Democratic National Committee (and a poet of some renown) and after the Kennedy victory decided that she would like to work in the State Department. She had a very good sense of public relations. After he first talked to her, it became clear to Bill that her talents could be best used to improve the image of the Foreign Service on the Hill and in the country in general. He then dreamed up a program which consisted of lending recreational vehicles (cars and trailers) to Foreign Service Officers and their families who were coming on home leave and who might not have had a home to go to for the six weeks of home leave they had to take in the country. The idea was that the Department would make the cars and trailers available in exchange for the officer following an itinerary which would bring him to a couple of places where we would arrange for him to address a local civic club. I believe that the trailer also had some kind of sign on the side advertising the Foreign Service so that where ever the officer and his family would stop, they could answer any questions about the Foreign Service that the local population might raise. The program served two purposes: a) it increased and hopefully enhanced the image of the Foreign Service and b) gave the officer and his family an opportunity to see parts of their country at relatively small expense. Louchheim managed to talk one of the automobile manufacturers into lending the cars and trailers to the Department free of charge. It was a very good program; it was never a huge program, but I think it was effective and useful for those Foreign Service families that participated and for the American public. It didn't last beyond Crockett unfortunately, as was the case of so many of his programs.

Another illustration of Bill's creativity was the diplomat-in-residence program. The Department has always faced a surplus of senior officers. It is a standard and continuing problem, which sometime becomes acute. These are officers for whom there are no immediate assignments or who may be in need of spending some time away from a job. The best the Department could do at the time is to let all of these officers “walk the halls”. That was sometimes literally true; other times it meant short temporary assignments which often were pure “time killers”. Such situations were hard on the officer and didn't make the Department feel good either. Bill came up with the idea that some of these officers might spend nine-twelve months at an academic institutions in a program that he called “Diplomats-in Residence”. The program served two purposes: a) it gave the officer a sabbatical year and b) it provided another opportunity for an American community to become better acquainted with the Foreign Service. These officers would study subjects of their choices, lecture periodically at the institution to which they were assigned and speak to local or nearby civic associations about the functions of the Department of State and the Foreign Service. It increased the communities' awareness of the Department and it increased student interest in the Foreign Service as a career. I thought it was a brilliant idea; it became so popular that competition developed among academic institutions for the presence of these officers. That created some problems because some of the institutions expected to host a Foreign Service Officer every year and the Department just couldn't meet all the demands. I might just add, as a side comment on Bill's political acumen, that the first diplomat-in-residence went to Ohio University, which was in Wayne Hayes' district and whose President was a close friend of the Congressman. So the ideas that Crockett came up came in two ways: a) they sprang out of his head, often in the middle of the night and b) out of necessity to solve an immediate problem.

*Q: I was not in Washington during this period, but we in the field were getting reports that Crockett had some special assistants who were thereafter forever tagged as one of “Crockett's boys”. You were one of those. The reports we were receiving were to the effect* *that the special assistants were out of control, messing up things, doing things that were harmful to the Department, etc. Did you have the any feel for these views?*

STERN: Yes, indeed. It was quite clear that the bureaucracy did not appreciate us. I think all of us knew that we were criticized severally behind our backs. That was particularly true in the case of the administrative program managers and some of the regional bureaus. Crockett had two kinds of special assistants: one group, which included me, was responsible for the administrative/personnel activities of the Department. Then there were other special assistants, like Dick Barrett who were involved in developing new management initiatives. People used to damn all of us in one breath whereas they were really upset specifically with one or two of the special assistants. In fact, the two kinds of special assistants had different roles and were not in frequent contact. I recognized at the time that I might be applying the rod in an overly heavy handed manner. Had I been a little more seasoned, I might have functioned differently, but I felt under tremendous pressure. The “boss” was frequently absent and always consumed with one problem or another. He could not be following all the activities. So I think that all the special assistants felt the need to insure that progress was being made in their areas of coordination and that Crockett should be called upon only as a matter of last resort after all other efforts to move forward had been exhausted. I am sure that the program managers resented the oversight, but that was the only way that large bureaucracy could function. That may have been one of the deficiencies of Crockett's style; all fifty plus program managers felt that they worked for him personally and that they therefore should have access to him at all times, even on issues that they should have been able to solve by themselves. That was just not possible, not only because there were so many of them, but because Crockett had many other time consuming responsibilities with the Hill and the White House. Crockett's scheme was based on the assumption that the program managers were mature, self-sufficient and self-motivated; that was not the case for many of them.

Barrett was another matter. His activities drew Crockett into a whirlpool from which he did not survived. Barrett had come to the Department from the Bureau of the Budget primarily to see whether a programming system could be instituted in the Department. The programming system was the essence of management; it tried to relate financial and personnel resources to policy objectives. It required an analysis of our foreign policy objectives and a weighing of them in some kind of priority order. The Department, as I explained in describing my earlier experiences in the budgetary process, never had a solid justification for its financial resource requirements. Nor did it have a system which could give some guidance to the personnel people on the levels and skill required by the Foreign Service in the future. The Foreign Service tended to believe that its activities were not quantifiable. It refused to accept the thesis that a management system could approximate at least the number of political officers required by system and how many in fact were needed at each overseas post. The same was true for economic officers. The concept of using quantitative analysis for “substantive” work just seemed to demean their work, in the eyes of most Foreign Service Officers. They were willing to accept the validity of the technique for the consular and administrative fields where people dealt in activities that could be measured (e.g. number of visas issued, cars to be driven and maintained, etc.). The “substantive” fields, according to these officers, were too amorphous to be subjected to such management techniques as quantitative analysis. I note with some amusement that the latest management report on the Department of State (State 2000) highlights the need for a resource allocation process linked to policy objectives. We are now thirty years after Crockett and the management inadequacies and remedies for the Department seem to be the same. At that time, and I think it is probably still true, the amount of financial and personnel resources an overseas post receives was the result of a historical pattern. The posts in Germany, for example, received a bountiful allotment because historically it had been funded by special appropriations for a High Commissioner operations, which were always generous. Therefore, the “base” for allocations to our operation in Germany was comparatively high and therefore the subsequent allocations were similarly generous. State operations in France or Great Britain, where the history was different, were barely funded and in fact, were probably underfunded in some respects. That is one of the reasons why the Department gratefully accepted any renovation work to the official residence that an Ambassador like Arthur Watson or Walter Annenberg wished to finance from their resources. I don't think that is the way the U.S. Government should be financed. State operations in a country where activities were being reduced did better when it came to allocation of resources than posts which had rising demands because the former had a historical base which sustained them even in the years of declining requirements. That fact made it difficult for the African Bureau to finance its growing requirements, for example, while the “fat cats” in Europe did relatively well. This is just a further example of the mismatch between resources and requirements existing in the mid-60 and later because the Department had no process to marry resources and policy and is still today apparently trying to achieve that goal.

That was the issue that Barrett was trying to address. He met with firm bureaucratic resistance. He became a zealot and that further, I think, aggravated the possibility of his program succeeding. He was very imaginative, but a little short on the sales skills that any new initiative needs. He used Crockett's name quite liberally, which did not help Bill's reputation. Eventually, even the Bureau of the Budget gave up on Barrett's effort and Bill was too overloaded with other bureaucratic struggles to give Barrett the kind of daily support and oversight that was required. Eventually, there was a meeting at BoB during which Bill was not as forceful as Barrett would have wished and created some strains between the two. In any case, the Foreign Service was just not ready for a modern management technique. Its culture just could not accept that its work could be quantified. Furthermore, many high-ranking officers were not ready to accept orders from a special assistant to the Deputy Under Secretary for Management. The antipathy that the Barrett program generated tarred all of us in the Office of the Deputy Under Secretary for Management, starting with Bill Crockett and ending with his special assistants. We were looked upon with suspicion regardless of subject matter we were dealing with.

My reputation in part depended on the fact that I had to sometimes force some Bureaus to accept certain individuals. These were the political appointees. All bureaucracies find it difficult to accept and absorb “outsiders”. It was my role to break the “bad news” to the Bureaus and tell them that they would have to employ certain individuals whether they liked it or not. I couldn't waste a lot of time arguing because if there had been an alternative, we would have probably thought of it first. Personnel systems, whose reputation must rest on the perception of “fairness” was particularly resistant to pressure from the Seventh Floor and especially from a special assistant to the Deputy Under Secretary for Management. I recognized then that people were unhappy with some of my actions; I might have been a little more gentle and probably would have been had I been a little older. But the final results would have been the same; the “political” people had to be placed; there were no alternatives. Placements had to be made and usually within short periods of time. An Assistant Secretary might have gone to the Secretary and appealed a placement, but I don't think it would have done him any good and therefore I don't remember it ever being done. Dean Rusk paid no attention to management/administrative matters and neither George Ball or Nicholas Katzenbach. As I said earlier, with rare exceptions, lawyers make lousy managers.

As a general comment on the management of the Department, the “buck” stopped with the Deputy Under Secretary for Management. This may have improved marginally by now, but I suspect even today too much of “management” is left to the Under Secretary. That doesn't work; “management” is the responsibility of the top man or at least the Number Two. Without their personal involvement, as was true apparently with George Shultz, there will not be much increase in the effectiveness and efficiency of the Department.

I should mention one other effort that Crockett undertook to increase the effectiveness of the Department. This took place during the last part of my tour as one of his special assistants. Bill instinctively felt that the “culture” of the Foreign Service, with its emphasis on each officer holding information to himself or herself, was not conducive to the kind of organization that he saw as necessary for the introduction of new techniques and technologies. I mention this because it is an issue that will rise again later in my career. He hired a psychologist from New York, Chris Argyris, who spent several months talking to various Foreign Service Officers. His report supported Bill's analysis; he drew the conclusion that officers had to be more open especially with their colleagues. The Foreign Service had to become accustomed to working as a team, not as a bunch of independent individuals. He recommended that some training sessions be instituted which would try to meld some individuals into, if not a team, at least into a group whose members had faith and trust in each other. These sessions became known as “T-groups”. The cure was not successful; the patient rejected the medicine. In most cases, people just wouldn't share their most inner secrets or even thoughts. In the worst situations, some group members broke down and found the emotional drain too great a strain and had to leave the session. The process sounded very similar to the one I gather President Clinton put his Cabinet through when at the beginning of his administration, when he took all his Cabinet officers and senior officials to Camp David. I gather it didn't work there either with people like Secretary Bentsen. Changing people's natures and cultures is very, very difficult.

The couple of years with Crockett were some of the better ones of my career. He was active all of the time, 14-16 hours every day, whether at home or in the office. There was always some action and as I suggested earlier, probably too much.

*Q: Would he discuss an idea with his staff first or did he give someone an idea and ask him/her to see what could be done about it?*

STERN: A little bit of both. He often discussed his ideas with his staff. He did have a stubborn streak and would not be talked out of some of his ideas. He would have been more successful had he been willing to consult more, particularly with the program managers. They needed greater cultivation on some of the innovations. People resist being ordered; they like to think they participated from the beginning and like to believe that what they are doing came essentially from them, not someone else. Unfortunately, Bill did not have the time for such a long process. The demands on his time were far too great for any single individual. Much of his time was spent with Congress and particularly Rooney. That “hand-holding” operation took more time than it deserved.

First of all, there was at least the annual Rooney overseas trip. Prior to Crockett's appointment as Deputy Under Secretary, it was the Department's Budget Officer or Assistant Secretary for Administration or some other official who served as escort officer. In Crockett's case, Rooney insisted that he go along regardless of the job he held. This mean that Bill was gone from Washington at least four weeks a year and usually six, traveling from post to post, baby-sitting Rooney, drinking with him and often putting him to be at night (or early morning), as I noted earlier. He tried to keep the Chairman and what staff member went along as happy as he could; it was not easy because Rooney basically was not a happy man. When Bill was in Washington, Rooney and others would call him on one problem or another which took Bill's time. Then, of course, there was the long process of appropriation hearings which Bill had to manage, at least. He didn't have to attend all the meetings, but he had be one of the major witnesses both in front of the Bureau of the Budget and the various Congressional Committees. The appropriation process in the U.S. government is a very time consuming affair because in addition to dealing with financial requirements, it often becomes an opportunity for discussion of other issues. That makes in very difficult for any central point in a Department to stay on top of the process.

In addition to the Congress, Bill also had the White House as a major customer. Crockett was assigned as Lyndon Johnson's escort officer, when he was the Vice-President, for his overseas trips. That practice continued when Johnson became President. Those were also very time consuming because when Johnson was President, it also meant that Bill had to go on the advance team. It is virtually impossible to be both “Mr. Outside” and “Mr. Inside”, that is to keep people outside the Department happy and at the same time manage some major programs in the Department. It was particularly difficult when there was no support from the Secretary or the Under-secretaries. I think Bill did tremendously well in light of the circumstances. He did accomplish a great deal, but when he left the Department he was somewhat bitter because his goals had been so lofty and he felt that he had not gotten close and that the people he had tried to help the most, were the least appreciative. I think history will be much kinder to him than his colleagues were. His record of accomplishments is long and can not be denied.

*Q: You left your job in the Deputy Under Secretary's Office in 1965. Why did you leave then and where did you go?*

STERN: I was anxious to go overseas. I had been in Washington for about a decade and it was time to go back to the field. I had been integrated into the Foreign Service Officer Corps and I thought that I should join my colleagues. An opportunity arose in London. Findley Burns, then the Counselor for Administration, had been nominated as Ambassador to Jordan. I thought London would be a great assignment. I had managed to get a trip to London which permitted me to look at the Counselor's house. Everybody thought that it was a “done deal” when one day Findley called Crockett to tell him that Ambassador David Bruce had changed his mind. I have never understood what happened; no one ever even tried to explain to me why the assignment was not consummated. Bruce's decision came out of the clear blue sky. This was the Spring of 1965. Bill very nicely tried to cover up this comedy of errors; he wrote me a note saying that he couldn't release me at that time and would I mind staying on for a while longer? Eventually, Pete Skoufis went to London. As I said, to this day, I don't have the slightest inkling of why Bruce changed his mind at the last moment or whatever happened in London on what everyone thought was a firm assignment. Needless to say, I was somewhat disappointed, but fortunately another opportunity arose a few months later.

The next opportunity arose that Fall when Basil Capella, then the Counselor for Administration in Bonn, Germany, was assigned to Sydney as Consul General. He had a deputy, Dave Belisle, who did not have any overseas experience. Dave had served for a long time in the security field and had been assigned to Bonn to get him out of harm's way since he had been implicated in the alleged “bugging” of Otto Otepka's phone. That allegation had brought to the attention of the House Internal Security Committee which still had a somewhat unsavory reputation for “witch-hunts”. Otepka had been accused of leaking material from personnel files to that Committee and the leadership of the Office of Security decided to catch him by tapping his telephone lines. It turned out to be a comedy of errors, but Crockett had to remove the head of SY, Bill O'Reilly and his deputy, Dave Belisle. So Dave was assigned to Bonn, but since he had not been overseas or in administration at all, he was not considered to be qualified to succeed Capella. Of course, there was a snag; Ambassador George McGhee was not willing to take such a young officer (I had just turned 38 at the time) such as myself sight unseen as a Counselor and proposed that Dave be moved to our Consulate in Dusseldorf, while I be assigned to Bonn as the Deputy Counselor. McGhee said that he could then observe me for a few months and make a decision later.

It of course didn't work out quite that way. Dave never moved to Dusseldorf. Capella was so anxious to leave (I think he was concerned that the Sydney assignment would be given to someone else) that a few weeks after my arrival, he began a campaign to have me anointed as his successor. I became a veritable administrative genius in Capella's eyes, for reasons which had nothing to do with me and all with his desire to leave as soon as possible. His public relations efforts must have had some positive effect because by the end of the year, McGhee had agreed to let me become Counselor. I had gone to Bonn around Thanksgiving time without my family because when my assignment was first proposed it was, as always, a matter of urgency and we hadn't had time to make any preparations. In any case, I returned to the States at Christmas time, helped pack the family and returned to Bonn as Counselor for Administration.

As it turned out, as often it happens, Bonn turned out to be a much more interesting job than London ever would have been. London was undoubtedly a more attractive place to live, but the Bonn job was unique and probably one of the most challenging Administrative Counselor jobs in the world. The responsibility for directing a relatively large Embassy Section was really secondary to my other functions. Dave did most of that work. My principal responsibility, both in terms of time and effort, was the management of a small American community on the Rhine. I was the mayor of a village that one of my predecessors, Glenn Wolfe, had constructed with German reparations funds in the early '50s when the High Commissioner for Germany moved from Frankfurt to Bonn. Bonn was the home of Germany's Chancellor, Conrad Adenauer, and he wanted the capital to be there. And so it was that a major government moved to a small academic community which was in no way prepared to house the horde of politicians and bureaucrats that must be involved in the running of a government. Of course, the foreign diplomats also had to find shelter and I am sure that it must have been a wild scene for a couple of years while all this influx of people were provided shelter and a community. The Americans, of course, did it as only we can; we built our own community on a very desirable area right on the shores of the Rhine, on the outskirts of a suburb of Bonn, called Bad Godesberg. Wolfe built a power plant for the community; he built a shopping center, with commissary and PX; he built a school; he built a club facility which was the envy of all other diplomats (he eventually permitted other diplomats to join). The school was an interesting facility; it was run by the U.S. military and therefore basically staffed by DoD, but the Bad Godesberg American community supplemented its resources and therefore provided educational experiences that no other DoD school ever could. Our community was called Plittersdorf and it was essentially an independent municipality. We only relied on Bad Godesberg for sewer and water, police and fire although we were not at the time very heavy consumers of those services, since we used our own security staff, for example, for any minor violations of law and regulations.

The Counselor for Administration was the unelected Mayor. When I tried to recommend that the mayor become an elected office, I was quickly and forcefully squelched by the Embassy's administrative staff which was convinced that the Embassy and community had to be supervised by the same man because they were so closely linked. Also the Board of the Association, which was elected, I believe, although in such a manner that all constituencies were represented, was not really in favor of broad elections. So I spent much of my time worrying about community affairs. We provided many services, as only American communities do: summer baseball leagues, winter youth activities, swimming pool, tennis, etc. We made sure that our young people had plenty of opportunities for activities; we were not going to tolerate any “hanging” around or mischief making either in Plittersdorf or other parts of Germany. It is very useful to have the power of shipping a family away if their children become troublesome; I think we threatened a couple of families, but never really had to exercise that power. So we used the “stick and carrot” effectively to minimize any potential youth crime or adventurism. It was, I must admit, a very paternalistic approach, but in general it made for a very close knit and happy community.

*Q: What were some of the problems you had with the American community?*

STERN: There is no end to the wishes and wants of the human animal. You can never satisfy every one in a group. The apartments in Bad Godesberg were large. They were very spacious. We had five houses: one for the Ambassador, one for the DCM, one for the Counselor for Political Affairs, one for the Counselor for Economic Affairs and one for the General in charge of the Military Assistance Advisory Mission. The latter used to be occupied by the Counselor for Administration, but one of my predecessors gave it up, for which I was quite thankful because my family could then live with the rest of the community and not be separated from it, even though the houses were all within easy walking distance. The Ambassador's residence was not a great house; it was built on a steep slope and that made large parties like the Fourth of July somewhat difficult to manage. But all in all, the American community lived in good shelter. But everybody wanted more. If it was not the size of the apartment, then it was the furniture, either more or newly covered. I don't want to overstate the situation, but we still have friends today who remind me how I had refused them something or other. On the whole, I think the American community was quite happy.

I had some evidence of that late in my tour. Ambassador Henry Cabot Lodge replaced McGhee in 1968. As had been true for many years, many of the substantive officers complained to him, as they had to his predecessors that their ability to function effectively was constrained by the fact that they had to live in a “ghetto”. They couldn't meet German neighbors and that inhibited their effectiveness. One of the reasons we restrained people from living on the economy was because it would have been far more expensive to pay them living allowances than to support them as part of an established community. So Lodge considered the matter for a while and finally said that those officers who wanted to move out of the community and live in Bad Godesberg could do so. Two families, as I remember it, took advantage of the opportunity. The dozens of others who were eligible did not move. It was far too convenient to live in Plittersdorf. Among those who stayed were some of the most vociferous officers who had called for “liberation” since their arrivals. That was a lesson in itself. I wish we had made that policy earlier in my tour. It would have restrained the few discontented “campers”, although I suspect that in some cases, at least, we would have heard complaints under any circumstances. But again I want to re-emphasize the positive aspects; in general, the American community was a happy one and morale was quite good. It was the only community in the Foreign Service that I know of which at the end of a fiscal year, was given a voucher for $ 100 worth of purchases at our commissary and PX. Our profits had been so great that they getting obscene and we thought that we could decrease our surplus in that way. We did, but not to the degree that we had hoped because people took the $ 100 and spent more in addition to buy things which they would not have purchased at all otherwise.

The school, which, as I said, was a DoD school supplemented by our own community's resources which were used to hire extra teachers and additional supplies, provided a good education to our children. The mothers were very vigilant and there were a few that wished we would do more. We had a shopping mall, as I have also mentioned, which always was subject to wishes of the community. We naturally had some who wished to increase the range of goods available and there were some that wanted the opposite because they felt that Americans should do more shopping on the local economy. The commissary got me involved in an interesting case. The manager was believed to be a homosexual. It was the first time in my career that I had encountered that issue. The Department, of course, along with all agencies that required security clearance, did not employ homosexuals and fired those that it did find in its employ. So the issue was unusual. But this manager was not a government employee. He was an employee of the American Community Association. The Embassy's Security Office kept insisting that I fire the manager in accordance with U.S. government policies. They viewed him as a threat, even though he had no access to classified material; it was true, of course, that he had close contacts with American families and I guess there was an outside chance that he might find out something that could subject some American to potential blackmail by some foreign power. There were one or two members of the Board who accepted that argument. I did not. The manager was not an employee of the U.S. government and therefore could not be so treated. If anything, he should have been judged by German standards, although I really thought that we were adult enough to judge the issue by our own standards. In any case, there was nothing in German law which would have justified the firing of the manager because of his sexual orientation and I refused to do so. The issue was kept alive for months, but the manager was continued as an employee; I suspect that did not endear me to SY. Today, I doubt whether any one would have even raised the question.

My other responsibility had to do with the acquisition and disbursement of the German contribution to the maintenance of our Berlin brigade. Under one of the various treaties that we signed with Germans after the war, we held them financially responsibility for our role as one the Quadripartite powers that occupied Berlin. After the Berlin Wall went up, it became essentially a matter of three Powers being responsible for the protection and general supervision of one-half of Berlin. To maintain our commitment, the U.S. stationed an enhanced brigade in Berlin, more as a trip-wire than a real force that could protect the city in case of attack. This was the only situation in the world where a State Department Foreign Service Officer was in charge of financial resources required by a U.S. military unit. I, on behalf of the Ambassador, was responsible for review of the Brigade's budget request and then for negotiations with the German government to allocate the necessary resources. I spent a lot of time on this function although the Germans were always very accommodating and had few, if any questions. But Ambassador McGhee particularly insisted that we be very tight-fisted and not permit the charging of anything that might appear as excessive to this German fund. I must say that I interpreted “tight fisted” to be a relative term; I looked for excesses and there were many temptations that the Brigade considered, but on the whole, especially when compared with the British and the French, our budget requests were appropriate. The British and the French, for example, charged the Germans for the cost of the uniforms that their troops in Berlin wore. The French had a great time with that approach because they rotated their men in Berlin on a quarterly or semi-annual basis so that periodically a new group of French troops would arrive in Berlin and be fully outfitted at German expense. It was a good way for the French to keep their defense costs down. The British did the same thing, but on a much more modest level. We were the model of fiscal conservatism, although I don't think our Brigade in Berlin ever suffered from lack of necessities. In fact, Americans in Berlin lived well, which included the State's representatives as well. The Ambassador had a house in Berlin which was financed by these occupation funds. Our Minister in Berlin had a very nice house which was financed the same way as did all our officers, both military and civilian.

The availability of these German funds made our Embassy allocations from Washington go further than they might otherwise. We supplemented our State resources with the German funds, charging to the latter all the costs that we could legitimately claim were attributable to our presence in Berlin. My role as the steward of the German occupation funds got me involved in all the Quadripartite and Tripartite operations at least to the extent necessary to support them financially. I was treated as a king by the Brigade and when I went to Berlin, it was as a VIP. It was very heady stuff.

Both the management of the American community in Bad Godesberg and my role in the Occupation Force process made the job as Counselor for Administration very rewarding.

*Q: How did George McGhee and Henry Cabot Lodge deal with administrative matters?*

STERN: McGhee just wanted to be kept informed, as did the DCMs I worked for—Marty Hillenbrand and Russ Fessenden. They left me pretty much to my own devices. Occasionally, their wives might receive a complaint, usually about the American Community Association. In such cases, they would call me to their offices and ask me to get their wives off their backs. In general, they wanted to know what was going on, but did not give me much supervision. McGhee, as I mentioned, was particularly interested in the occupation forces budget, but that was about the extent of his interest. Only Mrs. Hillenbrand made demands on us and they were relatively very few.

By the time Henry Cabot Lodge arrived, we had leaned that the key to an Ambassador's heart—and good efficiency ratings—was his wife. After a while, we really tended to neglect McGhee and Lodge and we concentrated on keeping their wives happy, particularly Emily Lodge. She was a delight. She really didn't want anything done for her or the residence. She was happy with what we were providing. She didn't want the furniture re-upholstered; we had painted the residence during the period after the McGhees departures and the Lodges arrival. We kept asking her if there was anything we could do and never got a single request. That meant we never had any requests from the Ambassador either, even though we had anticipated the worst. We had heard from people who had served in Saigon that he was very demanding and imperious. I think he left of all of that in Saigon. He was demanding at times for substantive support, but never in the thirteen months I worked for him, did he make any demands on us. We loved the Lodges. I think we were also helped by the fact that Lodge knew that he would not be in Germany for too long. That ambassadorial post was offered and accepted as a stop-gap measure, I think. He didn't try to suggest otherwise. Peter Tarnoff, who was then Lodge's special assistant and is now the Under Secretary for Political Affairs, was very helpful to us. He had been with Lodge for a couple of years and steered us in the right directions. But the key for an administrative staff to be successful were wives of the Ambassadors and to a lesser extent, the wives of the DCMs. If the ambassador is not stirred up by his wife, he tends to leave administrative matters in the hands of others.

I only had one problem with Lodge. One of our officers became mentally unstable. I wanted to send him home as quickly as possible both because in a close community, it was a major problem and because I felt that he could get better treatment in the United States. Ambassador Lodge was very insistent that we follow “due process”, which meant examination by a local psychiatrist and a lengthy exchange of correspondence with the Department. The Department finally agreed to repatriate the officer and his family, but it took several weeks. I was much more anxious to resolve the problem as soon as possible.

*Q: What about relationships with the German authorities?*

STERN: We had some dealings with the local Bad Godesberg government. I met with Mayor of Bad Godesberg on a couple of occasions, more as a courtesy than anything else. We had no problems since we were pretty much self-sufficient. Plittersdorf was a suburb of Bad Godesberg, but our demands on municipal services were minimal. Our presence in a choice location on the banks of the Rhine could have been a political liability, but we tried hard not to be noticed. Our kids behaved well when they went to town and we were really good guests. We welcomed Germans when they wanted to stroll along the river or watch our baseball games. We would have permitted more of them to join our club, but were not allowed to do so by the German authorities because the club was tax-free and was therefore essentially a facility for the diplomatic community. We permitted some German officials to live in our apartments, again with the permission of the German government, but it was essentially and clearly an American community.

McGhee was a very active Ambassador. He traveled frequently and made a lot of speeches. That required administrative support, although he usually traveled by himself and was hosted by the nearest Consulate. We had some major establishments in Germany outside of Bonn. Both Frankfurt and Munich were large establishments with Frankfurt being the hub of the European supply network and Munich being the home of Radio Free Europe. Lodge was much more low key, but had the respect of the Germans because they knew that unlike McGhee, he could call the President directly and did so on a couple of occasions. Both were viewed by the Germans as first class representatives of the United States and took both of them very seriously. Of course, in those days, the Germans were still growing and were essentially very receptive to U.S. suggestions and policies.

I would be remiss if I did not comment on our staffs in Germany, both in the Embassy and the subsidiary posts. In general, we had the cream of the Foreign Service; German affairs attracted a lot of interest and there were never any shortages of well-qualified officers at all ranks. The local staffs were also superb. On the administrative side, in addition to some highly qualified German employees, we also had some third country nationals—English and Spanish. After the war and for many years, working for the U.S. Government was a highly privileged opportunity for Germans. By the end of the 60s, that employment edge had pretty much worn off and although we continued to hire first class people, it became increasingly difficult to find them. Our local staffs were the backbone of the administrative operations and our only problem was recruiting enough German employees. By the time I left, the economy was really booming and Germans had many opportunities for employment. In the Embassy, we even had a small management staff which was very rare for an embassy. That staff helped us to keep our operations as effective and economically as possible, but was also a training ground for young Germans who would later transit into their economy, hopefully having learned something about American management techniques. Our embassy in Bonn was the second experience—Rome having been the first—that proved to me how valuable local employees really were. They were an asset that we could never have been able to replace.

I might just mention at this stage that while in Germany, I had my first experiences with Presidential visits. The first visit was President Johnson's who came for Chancellor Adenauer's funeral in 1967, I believe. His visit was sandwiched in between two visits from Vice-President Hubert Humphrey. Humphrey left one day; two days later Johnson arrived. Johnson left after three days and Humphrey came back a couple of days later. It was ten days of continuous circus. When we planned for Humphrey's visits, we of course did not know that Adenauer would die and that Johnson would come to his funeral. When we found out the totality of our challenges, I thought we'd never make it. In fact, in retrospect, I now know that it is much easier for a President to visit a country with little and less time for preparations.

Johnson, of course, arrived without being scheduled for any appearance except at the funeral. That was the only thing he was supposed to do; any other events at that time, at least, would have been entirely inappropriate. He brought with him George Meany, the head of the CIO-AFL and a few of his immediate staff. The entourage was of modest proportions because of the nature of the visit and we had no great difficulties accommodating them. Johnson's private secretary and his two stewards (a man and wife) stayed with him in the DCM's house. The rest of the staff we scattered around. There were very few trappings that normally go with Presidential visits, except that his bed and his car were shipped ahead. We did have a small advance team which came a couple of days before Johnson's arrival. It decided that Johnson would have to stay in the DCM's house. So overnight, we moved the Hillenbrands out much to their unhappiness. We stored all their valuables. The advance team instructed us on two requirements: a) that the President's bedroom had to be completely dark when the President slept (there couldn't be a ray of light coming through) and b) the showerhead had to be 11'6” high (not an inch higher or an inch lower). The showerhead that was there was only 9' or 9'5” high.

So first of all, we blackened the room with new shades and some special material on the panes to insure that no light would come through. It was pitch black dark. That left the shower. This was a much greater problem. The house was approximately fifteen years old and the plumbing consisted of pipes that were made in Germany right after the war and therefore very brittle by this time. We told the advance team that by raising the showerhead, we were running the risk of demanding such an increase in water pressure that the pipes might well break. We could just foresee the house being flooded when the pipes finally burst. That would have been bad enough but to have it happened while a President was occupying the premises, would have been catastrophic. The advance team was not swayed; the showerhead had to be raised to the required level. So we did and presumably the President was happy. Two hours after the President's departure after three days, the pipes in fact did burst flooding the bathroom and the room below. By that time, we didn't care that much; we were worn out from worrying about the event during the President's stay.

I will never forget those three days. As I said, Johnson had nothing scheduled except his attendance at the funeral. Most Presidents have trouble relaxing and must be doing something all the time. Johnson was very much like that. We had established a control room in our guesthouse where I spent most of the three days. One evening, at around 11 p.m., we received a call from one of Johnson's staff members: “The President wants to hold a birthday party now for the pilot of his plane. Please send us a cake right now!”. In Bad Godesberg or even in Bonn, nothing is open at 11 p.m. The Germans rolled up their sidewalks early. No stores would be open; there wouldn't have been anyone on the streets even. The staffer would not or could not be swayed. He kept repeating that the President wanted a cake and he wanted it right then. We knew that the handwriting was on the wall and so we called the chef of the American Club and told him to come in to make a cake. Of course, even if he had had all the ingredients, he couldn't have done it that quickly, but he had a brilliant idea: an ice cream birthday cake. He had enough ice cream in the freezer, so that by midnight, we were able to deliver a cake with candles. It was a pure coup, never recorded for history!

We lived through another episode, which history has also never recorded. Johnson decided on his second day in Germany that he wanted to take some German art back to the U.S. as gifts for his Texas friends. Some USIA staff members went out to some galleries in Bonn and brought back the best they could find. It was not great, but at least it could have passed for art. Johnson looked at these paintings and said: “No, no, no! I want real German art!”. We finally figured out that he was referring to paintings of old farmers with their pipes in their mouths, people in lederhosen, women in peasant customs, etc. Real junk! That was no problem. Those were available for tourists by the hundreds. USIA went down to the Cologne bazaar and cleaned it out. Johnson was delighted; he picked out 30 or 40 of them; they were just what he wanted. Then he wanted to know something about each artist because he was convinced that this was valuable artwork done by well-known painters. He insisted that on the back of each picture, a short biography be attached so that his friends would recognize the great value of these paintings. Of course, no one knew anything about the artists. These paintings were thrown together overnight by unknowns and were sold primarily as souvenirs, not as art. So Fred Fischer, who was McGhee's special assistant and I spent the night dreaming up names and biographies for the alleged artists. On the back of each painting we placed a small typewritten note with the name and history of each artist. I am sure that somewhere in Texas there are a number of paintings, if they haven't been thrown away by now, by artists from the “Stern School of Hamburg” or the “Fischer School of Bremen”. We made up as many fictitious biographies as needed and Johnson took the paintings with the notations home, as happy as he could be. The costs, of course, came out of State Department's confidential funds, but that was probably the greatest scam I ever participated in.

I mentioned that we had removed the Hillenbrands' personal valuables before turning the house over to the Secret Service and its occupants. It turned out that this was a very wise move because after the Johnson party left, we took inventory and found that some of the silverware and china was missing. This was all government property and fortunately could be replaced easily. We assume that the stewards helped themselves, but never bothered to follow up out of bureaucratic “prudence”. We just considered ourselves fortunate that the Hillenbrands had the foresight to ask us to store their valuables. I don't think I would have thought of it as necessary, but I learned a lesson.

It was a hectic three days with little sleep which was followed by a return visit by Humphrey. He didn't get much attention then; we were exhausted. Johnson was kind enough to host a lunch for the embassy staff, which consisted essentially of a continual dialogue between Meany and himself. But that kindness was well received by all of us who had slaved in the vineyard.

I might add one footnote to the Johnson visit which may give some flavor to how the Department operated in the 60s. I mentioned before that the Department had appropriated to it some funds for “Emergencies in the Diplomatic Service” or better known as the “Confidential Funds”. As I said, they were used to pay for the purchase of the paintings for Johnson. The funds were also used to pay for Presidential trips in general and other expenditures which neither the Administration or Congress wanted to have made public. They were not subject to GAO audit and only the Chairmen of the Appropriations Committees got a full picture of the expenditures. In some cases, as a matter of fact, the Chairmen may have been consulted prior to an expenditure. Presidential visits, even a modest one like Johnson's, were a real financial burden on the posts. But we managed put together the best estimates of the costs that we could—it had to be done while the Presidential party was still in town. Through some inventive, but perfectly legal, bookkeeping, we were able to make a small profit, which we used to build a medical facility in the Embassy. The military had provided a doctor since the Embassy was moved to Bad Godesberg; the Department paid for the employment of a nursing staff and for medical supplies. But we didn't have a proper facility for this small medical unit. With the use of some “Confidential Funds” and our own labor force, we were able to build a very nice little doctor's office on the ground floor of the chancery. We thought that was only just compensation for our three very trying days.

The second Presidential visit in Bonn came at the beginning of 1969 when Nixon made his first swing around Europe. The Johnson visit had been particularly difficult for the administrative staff because there were no substantive reasons for his presence. It was purely ceremonial and although he may have had a couple of meetings, he was there for one event only. The rest of the time, Johnson was left to his own devices, some of which I have already described. That put a strain on us because we were the main dispenser of support services. The Nixon visit was a substantive one, which meant that most of the load fell to the substantive side of the Embassy. The management of the Nixon visit was the responsibility of John Ehrlichman, whom I met first on conference calls. Ehrlichman, later to be well known for his participation in the “Watergate” scandal, at the time was one of the President's senior assistants in Washington. Since this was very early in Nixon's presidency, Kissinger, although involved in deciding what Nixon would do in Bonn, was not yet so powerful that he could make all the decisions on the President's trip. Erhlichman was the decision-maker. He had sent an advance man to Bonn, who was familiar with Nixon's predilections because he had advanced his campaign trips. But this gentleman did not draw a sober breath in Bonn from the time he arrived. We seldom saw him; he was not available to answer our questions. To this day, I still don't know what he did for the two weeks he was in Germany. In any case, with the guidance of the DCM and Ehrlichman, we managed to pull our support efforts together. Ehrlichman was very good; I think he recognized that he didn't know the territory as well as we did and relied heavily on our advice on the administrative support for the visit. But the Nixon White House, even at the beginning, had some interesting demands. It insisted, for example, that every place the President went had to plotted out on a chart with exact measurements. The drawing, to scale of course, had to show where all the furniture would be, where the President's host would be and where Nixon would be expected to be. We had to show how many steps he would have to take to reach the chair or couch which he would occupy. I was given the assignment of measuring the Office of the President of West Germany. The Germans looked at me as if I had two heads because I came with my measuring tape and marked off the room where the two Presidents would meet. I also paced off the distance from where Nixon's car would stop to the steps he would have to climb to get into the building to the German President's office. I don't know that the Germans who observed all this ever recovered from the shock; I know I haven't. Every single place that Nixon visited had to be paced off because his staff insisted that he wanted to know how many steps he would have to take at every function. I don't know whether in fact Nixon really cared, but I do know that the staff insisted on having that information. By the time, Nixon arrived we had a very thick briefing book of charts and diagrams. I doubt that anyone ever looked at it because it was much too detailed. But for the administrative section, the Nixon visit was much easier that Johnson's because Nixon had a lot of substantive business to discuss with the Germans and was not wondering all the time what to do. The Ambassador, the DCM and Kissinger took care of all appointments; the Presidential party came with their own car, Secret Service and the increasing number of “strap-hangers”. That was one noticeable difference wit the Johnson visit. The White House entourage increased geometrically, not only with staffers, but also with communication staff, Secret Service, military aides, etc. The era of the royal Presidency really started with Nixon's first European visit and grew and grew and grew from there. Our major challenge was transportation and we brought in fleets of cars not only from our constituents posts, but from military bases in Germany. We learned one lesson during that trip: always have a back up for everything. We had two ambulances, double the number of cars that might normally be required, etc. Redundancy was the word of the day.

The real problem we had with the Nixon visit was housing. In a small town like Bad Godesberg, housing is very scarce. We squeezed the White House and State Department staffs in wherever we could. People tend to forget that on Presidential trips not only is the White House well represented, but the Secretary of State comes along as well and since he is the Embassy' boss, you can't afford to forget him and his staff, which also adds a few more visitors. The Secretary has an aide or two, usually the Assistant Secretary for the region and his aide or two, the Secretariat to keep his paper flowing, etc. The State contingent tends to get overlooked during Presidential visits, but it is not wise for the administrative staff to forget them. They also need to be provided support and in some cases, woe be to he/she who might appear to overlook a State official.

Then there was the press and that was USIA's problem. The feeding and shepherding of the press is a subject all unto itself. In Bad Godesberg, I think we solved it by chartering some Rhine passenger cruisers and putting the press to bed on them. That worked well; in fact, it was such a curiosity that it dispelled many complaints about accommodations that usually arise. Presidential visits are a major trauma for an Embassy, but I think the Nixon visit went off quite well. My only negative recollection is that by this time, the reimbursement to an Embassy for extra expenses had to be documented thoroughly and we didn't make a profit as we did for the Johnson visit.

My third encounter with Presidential visits came in Seoul in Spring, 1979. Ten years had passed since my last experience and the administrative support requirements had grown many fold. The entourages were much larger; the press corps had grown tremendously. Presidential visits had gotten out of hand. In Seoul, I was not of course directly responsible for administrative support; I became the coordinator pulling the substantive and administrative issues together and planning the visit. In Seoul, we actually had dry runs of some of the events to make sure that we had considered all contingencies. But the sheer size of the White House staff, the State Department contingent, the DoD representation and the press corps was just overwhelming. We must have had well over 500 visitors in Seoul, many of whom did nothing but shop and hang around their hotel. Fortunately, we had military resources to call on and we used them fully.

The first debate we had in Seoul was about the Presidential car. Park Chung Hee was very anxious, as the host, to have Carter ride in the Korean Presidential limousine whenever the two Presidents moved together. Our Secret Service would have none of it; the American President rides only in his limousine. That was a hassle that took hours of my time and that of the Blue House's Chief of Protocol. We finally prevailed, but our insistence did not sit well with the Koreans. So that the Korean national honor would not be insulted too often, we developed a program which I think required the two Presidents to ride together only once. It was a famous ride because not only did the Koreans marshal a million people to the big square where the welcoming ceremonies would be held, but they managed to find enough people to jam the streets along the route that the two Presidents took to the Blue House. I was told that Carter was greatly impressed because this was by far the largest turnout for any event in which he had participated. He must have been astonished by the horde that greeted him. You couldn't duplicate that kind of turn out in the United States or even Japan; only the Koreans had enough control of their population at that time to make such a display. It was a sight; the square was huge and every inch was filled by people, all of them cheering.

I think the caravan stopped on a couple of occasions so that Carter could get out to shake hands which of course was unprecedented in Korea. It was during this ride that Carter allegedly tried to convert Park Chung Hee to Christianity; that may have been an exaggeration although I suspect that the nature of the Divinity might well have come up, much to Park's surprise and probable discomfiture, no doubt. The story's source was the Blue House, but I can't vouch for its accuracy.

Carter's visit was also complicated by the fact that it did not officially start when he arrived at Seoul international airport. After his arrival there and a very brief welcome ceremony, Carter was taken up to a U.S. military camp near the Demilitarized Zone, where he spent the night with the troops and where he had his first jog in Korea which was well documented by TV. His official welcome came the next day when he was driven to a large square on Yoido Island to be welcomed by Park and the Koreans. It is very strange to have a President in a country, but not officially. Carter jogged again in Seoul, with Mrs. Carter, in the “Secret Gardens”. These were the gardens that had been used by the Royal family. That was another protocol problem. There is a small bridge that crosses a stream right after the entrance. We wanted Carter to be able to drive in and cross that bridge before he started his jog, primarily for security reasons. The Koreans were very reluctant to let a car drive over the bridge, but finally gave in on that as well. I mention these small somewhat inconsequential matters to indicate the amount of detail that goes into a Presidential visit and the amount of time that an Embassy has to spend negotiating every step that the President will take. Even though the White House sends out a large advance team a few weeks in advance, a Presidential visit pretty much immobilizes an Embassy for two months, at least. There were a number of prima donnas in the Carter entourage. Each expected special treatment, but their demands were manageable. The Koreans made one whole hotel available to us (the Shilla) which enabled us to house everyone but the President, including the press. The President and Mrs. Carter stayed at the Ambassador's residence; Ambassador and Mrs. Gleysteen moved to the guesthouse on the premises, I believe. The visit turned out to be much more successful than anticipated for reasons that I will describe later. All I wanted to do at this time is to describe the ever increasing logistic problems that Presidential visits present and therefore the ever increasing demands that Presidential visits place on an Embassy, even when it can call on other U.S. government capabilities.

*Q: You left Bonn in 1969. What was your next assignment?*

STERN: I was assigned to Washington as Deputy Assistant Secretary for Management. At that time, it was the only Deputy Assistant Secretary who reported directly to an Under Secretary which made the title somewhat misleading. The Department had a small management office which was used primarily for two purposes: a) to assist bureaus in their efforts to improve their efficiency and management and b) to develop a mechanized system (i.e. increased usage of computers, which were then just beginning to be widely used in the federal government, except, of course, in the Department).

*Q: What, at that time, was the difference between management and administration in the Department?*

STERN: In 1969, the Department's management, as I interpret the meaning of the word, was non-existent. By “management”, I refer to that process which tries to link resources to policies so that an organization devotes maximum effort to its major policy objectives. As I mentioned before, that is one effort that Crockett made and it failed almost completely. So, by my definition, there was no “management” in the Department of State and there is not very much even today.

What the Department designated as “management” was highly fragmented in 1969. There was a Deputy Under Secretary for Management who supervised an Assistant Secretary for Administration, a Director General responsible for personnel policies and operations (there was a time when the Director general did not have any operational responsibilities at all), and an independent Foreign Service Institute. As I mentioned, my office was responsible for development of a modern, automated mechanized system in the Department, both in Washington and overseas. The actual operations of the computer room and the system in total were the responsibility of the Assistant Secretary for Administration. There was a split between planning and operations, which I assume someone thought might be the difference between “management” and “administration”. There were pros and cons in the literature about the separation of planning from operations. I notice that debate still is going on with the State 2000 report which recommends that a new foreign policy planning office be established which is to be kept away from any day-to-day operations so that it may concentrate on strategic planning and the linkage of resources to policy objectives. My view was and still is that separating planning from operations, even if desirable, was not an achievable objectives because there are far too few bureaucrats who can survive without a full or even partially full “in box”. Sitting back and thinking all the time is damn difficult and requires a self-discipline that very few of us have.

So I viewed the separation between the development effort and the operations as somewhat ineffective. Planning, to be effective, had to be combined with operations. I realized the risks involved because operators tend to put all of their manpower to work on “doing things”, leaving planning as an after-thought, but I thought the alternative even worse. In any case, a few weeks after reporting to duty, John Thomas, then the Assistant Secretary for Administration, proposed that the planning staff be moved from my office to his Bureau. My staff was very much opposed to that proposal. They did not want to be moved to the operating unit; they were concern by the same reservation I had about how they would be used. I think there was also a matter of bureaucratic prestige involved; i.e. moving from an office reporting directly to an Under Secretary to a subsidiary office in a Bureau. We held lengthy discussions for weeks and weeks; finally, I agreed to the Thomas proposal which resulted in the resignation of the chief planner. To this date, I am not sure that it was the right action, but I don't know whether I would have had any greater success in moving the Department into the 20th Century than John Thomas did. But it was my first exposure to that incessant Washington predilection: the “turf” war. The amount of time devoted by the bureaucracy to this issue is sometimes mind-boggling.

While on the subject, I might just comment on the issue of mechanization in the Department of State. That subject has a long history and a very poor record. I first encountered it when working in the Office of Finance and then subsequently in almost all of my assignments, including the DCM position in Korea. It was very difficult to have the Foreign Service accept the concept that computers and other modern technologies could be helpful to areas other than administration. Until relatively recently, the substantive officers could or would not see that new technologies could be useful to them in their work. I note that the State 2000 still makes the same criticism. We managed to mechanized much of the Department's administrative work and some of its overseas administrative efforts, but made very little progress on the substantive side, including consular work.

The problem was a psychological one. It was similar to the rejection by substantive officers of a programming system. They could not accept the concept that some of their efforts could be assisted by a “dumb” machine such as a computer. They were, after all, involved in ideas; they thought that no machine could help the thinking process. Furthermore, they felt that there was nothing that a computer could do that a secretary could not do better or that their own typewriter could do better. It may well have been that their own self-esteem became unconsciously involved because, as in the case of a programming system, computer-assisted work suggested that a machine or a system could replace what they felt could only be done by experience and “feel”. It was somewhat disheartening. I could appreciate to some degree the psychic view of a political officer, but I had a great deal less sympathy with economic officers, much of whose work depended on data analysis and the manipulation of numbers. Computers were readily made for that. But we were never able to make a break-through with either group, even as late as 1979 when I was in Seoul. Substantive officers had very little use for computers even then although I understand that there has been great improvement in that attitude in the last few years (but perhaps not sufficient according to the State 2000 report).

I should mention the other workload that kept us busy in the Office of Management. Bill Macomber had just taken over as Deputy Under Secretary for Management. He had not had any experience in the management field, but had been in Congressional Relations, had worked for John Foster Dulles and had a close relationship to William Rogers, then Secretary of State. So he knew his way around and had seen the Department in a variety of jobs. When he became Deputy Under Secretary, he decided that a serious review of the Department's management and administration was in order. Unlike some of his predecessors, he decided he would use career people only for the studies. I don't remember precisely the number of Task Forces established, but there were a good number of them, each on a different subject matter. As I said, all the members of the Task forces were State Department employees.

Macomber did not allow any staff members of administrative or personnel offices to participate in the Task Forces. That was based on the assumption that these people would be so “expert” in their fields that they would overwhelm their colleagues and have their points of view, with presumed biases built in, accepted more readily. He was not interested in what people reporting to him had to say because he had other channels to get their views. He wanted to know the views of the other parts of the Department and the Foreign Service. I think there was probably also some public relations aspects to his approach. He may have been right about the potential problems that participation of administrative/personnel people might create, but “expertise” on administrative/personnel matters in the State Department accounted for very little. So the Task Forces consisted essentially of substantive offices.

Macomber's concept was a good one, except perhaps on the issue of barring certain people from participation. The Task Forces worked long and hard. There was one particularly which I found most innovative. That was a Task Force on “Creativity”.

Macomber was concerned that the State Department's substantive operations appeared stale; no new substantive initiatives were being recommended by the bureaus and the posts. It was always “business as usual”. Undoubtedly he reflected the views of Congress and probably the White House as well with both organizations complaining, as they had done for many years, (and would continue to do so) that it took the Department forever to answer their queries and then the answers would be predictable—stodgy, with many qualifications and too often appeared to be a brief for the foreign country in question. Macomber wanted to see what, through management techniques, might be done to free the Department from its intellectual rut and permit its staff to develop fresh ideas and approaches.

It was another attempt to change the culture of the Department and the Foreign Service. I mentioned the first attempt that Crockett undertook with his T-groups. Interestingly enough, the State 2000 report also discussed the need for a change of culture in the Department. So over a period of approximately 30 years, there have been at least three efforts made to change the culture of the Department. That makes for a very interesting and somewhat depressing history because it appears that the problems seen by Crockett and Macomber have not yet been resolved. I am reminded how difficult it is to change any organization's culture when I read about IBM's current efforts or when you think of the experiences of our military establishment, but somehow it must be done if the Department is ever to regain an appropriate role in the development of foreign policy and the conduct of foreign relations.

I should say that the Macomber approach, which excluded the so-called “experts” from participation in the Task Forces, strewed the seeds of its own destruction. The Management Office was responsible for the back-stopping of the Task Forces. We did what ever research was required and the secretarial work. When the Task Forces completed their work, we saw to it that Macomber had an opportunity to approve their recommendations. Once a recommendation was approved, we made sure that the implementing office became aware of it and we followed whatever progress was made to put that recommendation into effect. There were hundreds of recommendations. Unfortunately, because most of the implementing actions fell in the administrative/ personnel areas, whose staff had been barred from participation in the Task Forces recommendations, very few of the important recommendations were implemented. Some Macomber did not accept on the advice of administrative/ personnel staff; some were implemented pro forma without having the effect intended; some were just ignored by the operating units. The bureaucrats nibbled around the edges so that when we issued period progress reports to the whole Department, quantitatively we could always show great “progress”, but it was a mathematical score-keeping exercise and made very little impact on the policies and the administrative/personnel processes. In the final analysis, I think an impartial jury would have to conclude that Macomber's approach to reform had not really worked and certainly had not met the objectives established by the Task Forces.

My year in M/MO was an interesting one because I learned once again how difficult it is to move a bureaucracy to change its ways and to accept that people not directly connected with its processes might have some new approaches worth at least trying. It is a challenge that I don't think any senior manager has ever accomplished in the Department and I suspect that may also be true for at least some other agencies. So my year with the Task Forces became also very frustrating because many of the recommendations, if implemented fully and without reservations, could have proven very useful to the Department.

*Q: Did the substantive officers respond well when assigned to the Task Forces?*

STERN: They responded very well. In general, the Task Force recommendations were very insightful. I should note that the Task Forces did not meet daily so that the members had to conduct their regular duties while serving on the Forces at the same time. Nevertheless, the people involved took this assignment very seriously; many papers were written and exchanged both within and between Task Forces. There was continuing dialogue among the chairmen of the various Task Forces. On the whole, the process and the product were very good. As I said, I was particularly impressed on the Task Force on "Creativity" because it saw the need for less bureaucracy, less structure, less adherence to stifling rules and regulations and more freedom and flexibility for officers and staff. Essentially, the bureaucracy could not tolerate or accept these freedoms; the Foreign Service did not advance very far in its creativity and innovational capacity as result of the Task Force. For anyone who is interested in exploring this subject further, I would suggest they review the Macomber Task Force reports. They are worth a review for anyone interested in the management history of the Department or the cultural history of an organization.

*Q: Did any of the Task Forces address the question of the number of mandatory reports required from overseas posts, whether required by the Department, other agencies or Congress with many reports just being filed away upon receipt in Washington?*

STERN: As I recall, that was certainly one of the major issues discussed by the Task Forces. You refer to a problem that had plagued the Department for many, many years and I believe is today still an issue. Paperwork is one of the troublesome areas in any bureaucracy. It generates paperwork; it requires paperwork and then complains about information over-load. As a general proposition, it has been my experience that a bureaucracy asks for more information than it can absorb thereby reducing its effectiveness since it chases low level information and misses in the "big pile" very relevant data. The Task Force on "Creativity" did address that issue and called for more thoughtful and deliberate analysis in lieu of reports about routine matters. I suspect that this may have become an increasing burden in the Department because information has vastly expanded. We are in the "Information Age". Mandatory reports may not add much to the knowledge of the Washington bureaucracy because there are so many other channels such as the media which also report information. What is at a premium is creative thinking, that is the ability to absorb and sift information to provide a clearer insight into trends, rather than isolated and specific data. This general area present the manager with a major challenge because human beings prefer in general to report facts or feelings about situations. It is rare that they take the time to bring the facts together in a meaningful and concerted analysis. Such effort takes time and hard work and requires a discipline that many do not have and is not easy; that is why it is rarely done and even more rarely done well. I note that State 2000 makes another effort to encourage “strategic planning”. It is not well defined, but I believe addresses the issue that we have been discussing.

*Q: You were the Deputy Assistant Secretary for two years. What was next?*

STERN: I was then transferred to the Secretary's Office for Policy Planning in 1971. The reason for that is because one of the Task Forces recommended that there be greater affinity between the allocation of resources and policy objectives. Sound familiar? It was the Comprehensive Country Programming System of the Crockett/Barrett era all over again. It was the same thought that we see today in the State 2000 report, where the lack of relationship between resource allocation and policy objectives is postulated as the major management failing of the Department. That report goes to great length about the need for a process which links resource allocations to policy priorities.

In 1971, Macomber tried to start a process and assigned Claus Ruser and myself to the Policy Planning staff to see whether we couldn't get a programming system started. We began by asking the Bureaus for some determination about their program priorities. We met a lot of resistance. Most people saw our efforts as an exercise in futility started primarily to satisfy the wishes of top management of the Department without doing much for their day-to-day work requirements. They found it difficult to compare U.S. interests in one country with those in another country; they could not really prioritize our efforts in the same country; they could not articulate very clearly what we wished to accomplish in a particularly country and how we might go about doing so. By the time I left in 1972, we had not made much progress on developing a programming system except perhaps in Latin American Bureau which had taken some of Barrett's work and developed its own system. Mel Spector succeeded me and I think found the assignment equally frustrating. The issue of linkage between policy objectives and resource allocations is still troublesome even though a staff was actually set-up a few years ago in the Deputy Secretary's Office to manage a process, which I gather made some headway. I don't know that the leadership of the Policy Planning Staff will have any more interest or success with the subject today than it did in 1971.

*Q: Is this problem endemic to State or is it faced by all bureaucracies?*

STERN: It is probably not completely satisfactory in any governmental Department or agency. But State has a particular problem. Unlike other Departments, State does not deal in a product or at least does not see itself as dealing with a product. Defense Department deals in products—e.g. weapon systems. The Interior Department deals with products—e.g. the National Parks. The Department of Human Resources deals with a product—e.g. Social Security payments. Almost every Cabinet Department deals with one or more products; that is, it procures or produces a quantifiable activity which can be measured. It is, at least intellectually, not too difficult to assign a value to such products and to allocate resources in accordance with the importance of the product. It is much more difficult to do that in the case of a Department which deals with ideas and the collection of information. Obviously the Department has not sufficiently recognized that its services can be quantified and prioritized. It has not found a way of relating ideas to resources. It is undoubtedly a tough issue. It is a tough issue even if the bureaucracy were interested in developing and managing a process. But the State bureaucracy never has been and has never believed it is possible. I think that a substantive officer, perhaps even subconsciously, rejects the concept as demeaning. He/she can not accept that a dollar figure can be attached to his/her efforts and that it can be determined that the effort of one officer can be judged against those of another. Therefore a systematic approach to resource allocations has never been part of State Department's management, with the exception perhaps of the consular and administrative functions. And yet, “management” is that process which links resources and policy objectives. The rest is “administration” or “human resources development”.

Q;During this time, was AID a separate agency?

STERN: AID was an independent agency under the policy guidance of the Secretary of State. But AID has a product; it has projects. It is not in theory at least too difficult to decide which projects you want to conduct within a certain amount of given resources. USIA has products—information offices, libraries, the Voice of America. It has tangible operations which can be prioritize and to which relatively easily determined dollar signs can be attributed. State is perhaps the only Cabinet Department whose work is not project oriented, with the exception of the consular and administrative functions, as I mentioned earlier. The consular work is quantified and was so done in the early 70s. We had pretty good idea even then of workloads, resources required and priority needs. We knew the potential workload and therefore were in relative good shape to know what resources had to be allocated where. More difficult, and never really solved, was the question of devoting resources to consular work as compared to political analysis, for example. That question always raises the specter of closing constituent posts, which over the period of time tended to be more and more concerned with consular matters. As you know, the issue of closing posts since time immemorial brings a lot of extraneous factors to bear such as the reaction of the host country, the reaction of American citizens who have a special interest in a particular post, Congressional pressure, which is sometimes the mere whim of one member of Congress and the history of the post. But in general, even in the early 70s, we had some feel for our consular needs.

*Q: If I remember correctly, it was about that time that the Department initiated what was called a “Consular Package” which was essentially a workload report in a systematic fashion which was submitted by each post.*

STERN: That may well be true. I think one of the pioneers of this workload measurement was Charlie Gilbert who worked on the issue while serving in London in the mid-50s, I believe. In any case, consular and administrative work are the only functions in the Department that lend themselves readily to workload measurements and to the kind of resource allocation process that have been recommended over and over again. That may one of the explanation why these two activities consume the lion's share of the Department's personnel resources. They can prove with tangible statistics what their requirements really are.

It is very interesting to note that the recommendations for a resource allocation process stem essentially from substantive officers. They did so in the Macomber Task Forces and today's State 2000 report. But when these recommendations get to their colleagues, they are rejected. That shows that if you look at the issue over a period of time in a sustained and concentrated fashion, you can see the advantages, indeed the necessity, for a process that links resources and policy objectives. If you do not have the opportunity to consider the issue at any great length, the perception becomes quite different and such a process looks just like another “administrative” burden imposed by an non-understanding leadership which doesn't face the day-to-day “realities” of the officers on the front lines.

*Q: So you had two sort of frustrating assignments in a row.*

STERN: Yes. The second one was worst than frustrating; it was a waste of time. The Deputy Assistant Secretary for Management was frustrating in its outcome, but fascinating during the Macomber Task Forces process. I left the Policy Planning Staff in 1972. I should say, before leaving the discussion of that assignment, that I did not have a very good feel for the Staff because Ruser and I were essentially adjuncts and not part of the staff itself. Bill Cargo was the Director of the staff and had little if any interest in our work. We had been forced “down his throat” and although he was very amiable and treated us well, he paid little attention to our work. My recollection was that Secretary Rogers used the staff primarily for speech writing. Of course, this was at the time that Kissinger was the National Security Advisor and history suggests that the Department was not really a major player, at least in foreign policy development. Policy Planning at the time was not a very strong office in the Department; it did not have the bureaucratic muscle of its some of predecessors and some of its successors.

I left S/P in 1972 and went to the Senior Seminar for nine months. I had intended to take a sabbatical or a leave of absence from the Department to try to get a Ph.D. at George Washington University. I had gone to some length to finding a faculty advisor and we had developed an academic program that would have taken two years. I had discussed my plans with Personnel and I thought that by the summer of 1972, I would be permitted to pursue my academic interests. For reasons that I never fully understood, the Department, at the last moment, vetoed my plans and suggested that I go to the Senior Seminar instead. That was second best, but I thought it would be a good change of pace. The idea was not acceptable to Ambassador Sam Berger, who was the Chairman of the Senior Seminar. In the first place, the class had already been filled by the time my nomination was made and he was reluctant to exceed the limit. Secondly, I think he did not want to have another “administrative” type in his class; he already had one or two and felt that that was enough “second-class” citizens. At the end of the day, the powers-to-be prevailed and I was forced on Berger. To make matters worse, I was the senior officer in the Class and therefore according to precedent became the Class President. But Sam and I got along quite well and I think he eventually got over his initial skepticism. The year in the senior Seminar was a good one. The Senior Seminar then had a lot of financial resources which permitted the Chairman to explore many domestic issues and finance overseas trips for its students. Berger ran a very good seminar; we had a lot of very interesting speakers. We traveled widely throughout the country from Spartanburg, SC where we saw the beginning of foreign investment in a relatively low-paid, but highly educated populated area to the caverns of SAC (Strategic Air Command) to the forests of the Northwest where we were shown what private modern forest management was all about. I saw parts of the country I had never seen before and began to have a much better appreciation of the complexity of the United States and the regional differences that became quite obvious as you transversed the continent. We saw several military establishments and learned a lot about our defense capabilities. It was the practice that the students rotated as chairman of each session, responsible for the introduction of the day's speaker or event and for chairing the question-and-answer session that usually followed. We also had to write a paper. Some of my colleagues traveled overseas to collect information; I stayed home and sent out a questionnaire to hundreds of people to test, as I remember, the public's understanding of the role of the State Department. I think the Senior Seminar was, and probably still is, one of the best educational tools that is available to the Department.

I might just mention because we did not get into the issue earlier that by this time I had become a Foreign Service Officer. As I said earlier, I had started in the Department as a Civil Servant. Then because of the Dulles' RIF, I transferred to the Staff Corps. When I returned to Washington, I joined the Civil Service again. After my tour as special assistant to Crockett, I joined the Foreign Service Officer Corps. At that time, the Wristonization program was still being pushed and employees were being encouraged to join the Foreign Service. An oral examination was given and I will not forget that process. I had to face a panel of three or four senior officers. Many questions had nothing to do with the Foreign Service or my work. I remember the Chairman asking me to name the three greatest Presidents of the United States and to discuss my reasoning. I did not mention George Washington, only to find out later that the Chairman was a devotee of Washington's and therefore undoubtedly disappointed by my response. I had risen in the Civil Service rather quickly, so that when I was integrated into the Foreign Service, I was one of the youngest senior officers. I believe that at one stage I was the second youngest FSO-1, (at that time, that was the highest regular grade) (Ted Eliot having been the youngest) which did not always sit well with some of my older colleagues.

I graduated from the Senior Seminar in June, 1973. I did not have an assignment, which was not a rare situation in those days. Several of my Seminar colleagues spent the following weeks walking the corridors of the Department looking for onward assignments. I did not. I spent the summer building a room in the basement of our house. I felt that if the Department's Personnel Office had an assignment, they could call me. In the meantime, I would do something useful. In late August or early September, I did get a call from the Department telling me that Seymour Weiss, then the new Director of the Bureau of Politico-Military Affairs, had indicated an interest in me because he needed a deputy who would take on the management/administrative responsibilities of the Bureau. I am not sure why a Bureau of then less than 100 people needed a deputy director (by Departmental fiat, the equivalent of a deputy assistant secretary) for management in addition to having an administrative staff. After an interview with Weiss, we both agreed to give it a try and I went to work in the Bureau. Not long after my arrival, however, the Deputy Director for Security Assistance, Hawk Lindjour, took ill and had to retire. By that time, it was clear to both Sey and me that there wasn't enough work to keep me busy. In any case, I had failed him in getting Personnel to remove one of PM's staff members whom he felt was not in tune with his policy directions and he wanted him transferred. It was a matter of policy difference and I kept pointing out to Sey that the Department did not jeopardize an officer's career for just differences of policy views. He never let me forget my “failure”. In any case, Sey decided to combine the positions of Deputy Director for Security Assistance and Deputy Director for Management. He made me the Deputy responsible for both functions.

This brought me to a policy area about which I knew nothing. I had essentially two staffs: a) one responsible for allocation of financial resources for country security assistance programs and b) one for approval of license applications from private industry for a range of activities from briefing of foreign governments and military establishments about the latest weapons systems to actual shipments of end use items and spare parts. The term “Security Assistance” covered a variety of sub-programs: a) loans for purchase of weapon systems, spare parts, etc; b) training of foreign military officers and non-commissioned staff; c) grants for purchase of military weapons systems and spare parts; d) security supporting assistance, which was essentially a program of budget support to help the recipient countries cover their foreign currency deficits and e) sale or grant of U.S. surplus military equipment.

It was a very interesting assignment. I was not deeply attached to the subject matter, since it made me a “merchant of death”, but I found the programs and the process challenging. By this time, the security assistance program had become a major tool of foreign policy. We had graduated from the days when the Department of Defense had a “salesman” traveling around the globe flaunting the advantages of American weapon systems. Commercial considerations were secondary; as a matter of fact, I do not recall a single instance when pressure was applied to me or anyone else in the Department to allocate sufficient funds to a particular country so that it could it purchase a specific American weapon system. That is not to say that some of our allocations were not specifically targeted to the purchase of a specific weapon system, but never because the manufacturer applied pressure on us. Where such allocations reflected a procurement decisions, it was at the behest of the Department of Defense which was responsible for the administration of the security assistance program.

In the State Department, desk officers tended to use security assistance as “sweetener” to improve our relations with the foreign government or as an unspoken “quid pro quo” for some action that we wanted the foreign government to take. We were not really involved with what the foreign governments did with the loans and grants that being, as I said, the responsibility of DoD. That may have been a mistake because the procurement decisions were very much a factor in creating an atmosphere in a region. But the arguments in the Department of State were about financial levels. The Regional Bureaus, of course, requested more than we could squeeze into what had been appropriated. Officially, no one was ever satisfied with our allocations, but I think most desk officers and Embassies managed to “score points” with the funds they received. In general, we tried to allocate some funds to most countries in the world outside the industrialized countries and the Communist block and its allies. So it was a challenge to satisfy as many vested interests as possible. We tried to use my favorite management tool; that is, a linkage between resources and policy objectives. In this particular program, that process worked relatively well. We knew which countries needed assistance and which were important to us either in our national security interests or for the stability of the region. There were some minor programs that I thought may have been a waste of money, but they were relatively insignificant. I thought our security assistance allocations, if granted the basic assumption that the United States should be in the business of providing resources for arms purchases, was defensible in the main. Many of our allocations were disguised rent for U.S. military bases on foreign soil. As a general policy, the United States did not wish to be seen to be paying rent for what was viewed as “mutual” defense establishments. So the appropriations were made to the President and the allocation responsibility was assigned to the Secretary of State. There was discussion then, as there is today, about transferring the security assistance program for countries where we have military bases to DoD, but because of our philosophy on the use of the bases that I mentioned earlier, it has never been done. Of course, the recipient countries always felt that the use of their real estate was worth more than the U.S. was willing to pay, but no country ever kicked us out because it did not get enough security assistance. More difficult to defend were the allocations to rivals: Greece-Turkey, Jordan-Israel and some in Latin America, but in general Congress went along with our requests.

The job was made even more interesting by the fact that no one else on the Seventh Floor was willing to become involved in security assistance. Kissinger was the Secretary of State by now and he had absolutely no interest in the program, except on the annual occasions when he had to testify before the authorizing and appropriation committees. We would send him a briefing book, which I don't think he ever looked at. He would make his appearances before these committees which were more performances and public shows than hearings. Still and reel photographers were lined up before the witness table and before the testimony would begin, there were nothing but camera flashes. During the hearings, the klieg lights were on for the evening news shows reels. Carlyle Maw, who was the Under Secretary for Security Assistance, would sit on Kissinger's right and I would sit on his left at the witness table. It was very unusual for Kissinger to permit anyone to sit at the table while he was testifying, but he knew so little about the program that I guess he felt that Maw and I would be able to provide some support if needed. I should note that Maw was Kissinger's personal lawyer and spent most of the time on the Secretary's legal work. He knew very little about security assistance and cared less. He had similarly little concern for any politico-military issues. Kissinger and Maw would ride in the same car to and from the Hill; I went on my own. I doubt that the time during these trips were spent on discussing security assistance. On a couple of occasions, I remember Kissinger saying to me, before the hearings started, that he wanted information passed to him if there were any questions about the program. Neither he or Maw knew much about it. I must have attended at least a half a dozen hearings without a single question on security assistance being asked. The members of Congress were not going to let their opportunity to appear on TV pass by asking questions about a minor governmental program; they wanted to be seen as statesmen and therefore would make declarations and ask questions about foreign policy that would look good to their constituents. But I do remember on one occasion, when Kissinger was testifying, he was asked whether we had ever provided military equipment to the Egyptians. This was before Camp David, but close to, if not already completed, the end of the USSR-Egypt military cooperation era. President Nixon had visited Cairo only a few months earlier. So I slipped a note to Kissinger, reminding him that the President had given Sadat his helicopter after the Egyptian President had admired it so effusively. A helicopter was dual-use piece of equipment and in our strict interpretation of the law, would have qualified as military hardware. In any case, Kissinger read it and dismissed it entirely. He responded to the question in the negative. That was the first and last time that I tried to be helpful. As a matter of fact, the questions that Kissinger got related to foreign policy in general and never to security assistance.

Sey Weiss, who was my first immediate supervisor, had been in the security assistance field from its start in the late 40s. By the mid-70s, he was tired of the subject and followed it only when he had to. George Vest, who followed Sey as Office Director, found the world of disarmament far more interesting and also gave scant supervision to security assistance. That left the Seventh Floor management of the security assistance program essentially to George Newman, Bill Lewis and myself. Newman and Lewis were Maw's special assistants and the three of us would put our heads together on the tougher issues. The day-to-day management was essentially left to my staff and me. None of the principals had much interest in the subject and stayed away from it with a passion. The rest of the Department understood the situation and very few, if any, of our decisions were appealed to either the Director of PM, the Under Secretary for Security Assistance or the Secretary. The program was essentially run by the bureaucrats and for the benefit of bureaucrats who could and did use the allocations to their countries as a “bargaining chip” or a “sweetener”. Government funds have been used for less worthy endeavors.

So I found myself defending the security assistance programs before the various Congressional Committees. Kissinger would put on his performance, setting the stage both with his statement and his answers to Committee members' questions; his comments were entirely related to foreign policy in general and perhaps on our relationships with particular countries or regions. The questions about the program were essentially left to me and General Howard Fish, who was then the Director of the Defense Security Assistance Agency (DSAA) in DoD. Sometimes there would also be regional witnesses, but that varied from time to time and from Committee to Committee. It often fell to me to explain our policy vis-a-vis a certain country and to defend the level of aid and our arms sales to that country. The answers were all “canned”; that is, they were intended to make the best case without saying much of anything. If I didn't know the answer or if the answer would prove to be a difficult one, either because the information was classified or because it might reveal more than the Administration was willing to say in public, I would “take the question”; that is, I would promise to provide the answer in writing after the hearings.

The one general management issue that struck me during my tour in PM was the Department's participation in the central policy issue of the time and I guess of several decades: arms control and nuclear disarmament. In fact, the lead person on a day-to-day basis was the Under Secretary for Political Affairs. He was supported by the Director of PM and one of his deputies and a small staff in PM. We may be talking about 15-20 people in total. That was essentially the Department's staff involvement. Of course, if there were major questions, the Secretary and/or the Deputy Secretary and probably the Assistant Secretary for EUR got involved. If the issue concerned the UN, then the Assistant Secretary for International Organization was brought in. But essentially, the expertise rested with the Director and Deputy Director of PM and their small staff. Compare that with the hundreds of people in the government, in DoD and ACDA and CIA and the NSC, etc. who worked daily on the same issue. It was one, if not the major issue of the time. Departmental officers devoted lots of time to the question of how security assistance resources should be allocated or on reports about relatively minor problems, but when it came to a major national security issue, the Department was ably, but thinly represented. This was true both while Kissinger was the NSC Advisor and when he was Secretary of State. I remember attending a number of meetings in the White House Situation Room, chaired by Kissinger, either as a back-up to the Under Secretary for Political Affairs or Sey. Then I sat in the back row, but on a couple of occasions, I was the Department's representative when Sey or Leon Sloss were away. Then I sat at the table with the “big boys”. The discussions were about the major foreign policy issue of the day, but I always found it somewhat surprising that the Department was represented by a mere Deputy Assistant Secretary. The initial briefings were given by the Director of CIA; around the table sat the Secretary of Defense, the Chairman of the Joint Chiefs and other senior governmental officials. It was just another indicator of how limited were the resources that the Department was devoting to national security affairs. It was in the “foreign policy” business which was viewed by many, I guess, as something separate from national security. I don't want to imply that when major issues were being discussed, the Department was not well represented either by one of the three senior officials of the Department and/or Sey, but I think that my presence at the table of a NSC meeting chaired by the NSC Advisor was another indicator of the Department of State's inability to focus its resources on priority policy issues. We were just not in the game. While Kissinger was the NSC Advisor, he may just have been happy with the State's level of representation although Sey used to often argue with him on matters of substance. Sey knew his stuff when it came to arms control, nuclear disarmament and other politico-military matters, but he was only a Bureau Director (even if according to the manual, the equivalent of an Assistant secretary). That is not enough firepower in a bureaucracy. The Department's influence rested essentially on Sey's and Leon's brilliance (and later George Vest's) and not on the participation of the Department's leadership nor its interest in devoting the kind of manpower that these politico-military issues should have warranted. Today, PM is one of the Department's largest Bureaus, but in the mid-70s, we were one of the smallest.

*Q: Looking at the situation as a manager, why had that situation arisen? Were there not knowledgeable enough people? Or was it just a lack of management skills on the Seventh Floor? Or was there a deliberate effort on the part of other Departments or agencies to freeze the Department out?*

STERN: There were a number of reasons. The Department had great difficulties processing military issues because in the first place, Defense was not seeking the Department's participation. In the second place, nuclear and military issues required a continuing involvement, something that Foreign Service Officers, who rotated every few years to overseas posts, just couldn't provide. That meant that the only staff that could continually monitor many politico-military issues were civil servants. They dealt with issues that required considerable historical knowledge and it was therefore not easy for a Foreign Service officer to catch up and make a contribution during the few years he served in Washington. That is not to say that there weren't some Foreign Service officers, like Jim Goodby and Ron Spiers who made major contributions to the discussions on disarmament, d#tente and arms control, but they were few and far between. Furthermore, these issues required some long-range strategic thinking. They were not subjects that required immediate attention most of the time, as was true for the cables in the “In Basket”. That made it even more difficult for most of the Department's staff because it is not known (or at least, since George Kennan) for its strategic thinking. The Deputy secretary and the Under Secretary for Political Affairs were the principal officers in the Department responsible for politico-military affairs, but they were overburden and the issues of disarmament were just blips on their screens along with many other blips. I think most people give the Department high marks for tactical planning; i.e. treaty negotiations, solution to immediate and short-range problems, but it lacks a staff willing to think long-range. It does not have a good record on that score and is still being criticized for it even today.

I know that Sey and later George made a number of attempts to include other parts of the Department and particularly the Bureau of European Affairs and undoubtedly got some positive contributions from Art Hartman. But beyond that, I don't think there was much participation from the rest of the Department on these issues so critical to our national security. The Bureaus went along with Sey's position in the most, but didn't show much initiative or interest. As I said, they were much more interested in the day-to-day issues and the process of handing out a few assistance bucks to their countries. This situation just made the Department a bit player in the national security debate and may have in part been the reason why it was not held in very high regard either in the White House or by other agencies.

*Q: Tell us a little more about the security assistance process. How did that work?*

STERN: I have already mentioned the various components of the over-all program: military assistance (loans and grants), military training, economic supporting assistance (ESA) and surplus military equipment. The ESA was a non military program and was assistance granted to foreign governments primarily for budget support; i.e. to cover their foreign exchange deficits. That program, after a long hassle with AID, was assigned to the Under Secretary for Security Assistance on the grounds that the grants were made primarily for political and not economic reasons.

The grant component of the military assistance program was a declining asset and was used primarily in those countries which just could not afford to purchase arms or were not economically viable for loans. The largest component was a loan program. Those funds were used by the foreign government for the purchase of weapons systems and spare parts in cooperation with our Military Assistance Advisory Groups. So the Department allocated the funds, but the use of them were essentially a matter for the foreign countries and our military advisors. Seldom did the Department vetoed the use of the funds for certain purposes, although I guess we could have done so had been necessary. The military training program brought foreign military officers and non-commissioned personnel to some of our military training facilities in the US. That I think was a worthwhile program because it enabled foreign officers to at least observe the role and position of a military establishment in a democratic society. It is true that some of those we trained turned out to be some of the worst dictators, but I suspect that on the whole, we did more good than damage. The excess equipment program was just a way of disposing of surplus military material if not required by an American entity. The program was accused of some skullduggery both by some domestic agencies that felt they had not been a proper opportunity to acquire the equipment (the list included such material as bull-dozers, for example) and by some American military establishments who felt that some of their equipment had been declared surplus prematurely so that it could be given to a foreign government. I don't know whether these accusations ever had any merit to them; Defense denied their validity. In any case, there were only a few complaints, if I remember correctly. So Security Assistance was a broad term that covered several different programs, all of which had to be defended on their own merits, but should have made a complete package.

We had to justify this program to Congress and to the press. Once or twice I was called to press room to try to explain the program on the day we released to the Congress. Periodically, I would get calls from individual press people who were interested usually in one specific sale or allocation of funds. I became one of those “anonymous” State Department officials whose name could not be cited, but who said that”.....”. I was also interviewed and quoted by Alan Sampson, the English writer, who wrote a book on the international trade in arms. I also had to represent the Department in seminars or other public functions where I usually found myself as the sole defender of our policy to sell arms. The anti-assistance “lobby” was growing rapidly and was able to put its spin on our activities. Selling arms was a tough position to defend; no one, including ourselves, liked it. The charge that we were a front for American manufacturers was often made, although no scrap of evidence was ever produced nor could it have been because we were very careful not to include commercial considerations in our deliberations.I spent a lot of time with Congressmen, Senators and their staffs. In the first place, I was the Department's “expert” on security assistance and arms sales and therefore had more than my share of appearances before Committees on program details. As I said, neither Carlyle Maw or Sey Weiss nor George Vest would show up before Congress on this program. The Regional Bureaus appeared to provide the political context to the program, but we had to explain the details and sometimes the political rationales as well. These appearances were always painful. Let me make a few comments about Congressional appearances in general. The mid-70s were not the first time I had appeared before Congressional Committees. My first experience had come when I was a supporting witness in hearings before Otto Passman, when I was the Executive Director for the ICA Bureau of Near Eastern Affairs. Passman was the famous and later infamous Louisiana Congressman, Chairman of the Foreign Assistance Appropriations subcommittee, who was found to have been receiving “gratuities” from the South Koreans.

The Appropriations subcommittees used to meet in very small rooms, which forced Congressmen and witnesses to sit face to face over a table, not more than six feet away from each other. There were a couple of rows of chairs in the back, but the quarters were compact and the battle “mano-a-mano”. This set-up was true for both Passman's and Rooney's hearings. The physical lay-out made it a very intense experience, not to mention that you knew that, as an administration witness, the Congressmen, at least the Chairmen, were going to make you look as stupid as possible. As a supporting witness, life was a little easier and I remember sitting almost at the end of the table and chatting with Congressman, later Mayor, Ed Koch, who was making fun of Passman as he was making life miserable for the principal witness. As I said, both Passman and Rooney made sure that the record of the hearings made the administration look bad by a) asking tough questions; b) making demeaning remarks about the answers or the programs under scrutiny and c) making it difficult for the answers not to be taken out of context and then quoted with derision. It was not easy to give rational answers because both Chairmen knew the programs better than most witnesses, had visited posts and projects and as anyone else could always find fault with something. In Rooney's case, he used to explain his tactics by pointing out that he used to quote these exchanges on the floor of the House when the appropriations bill was debated. By being able to show how tough he had been on the Administration, he felt he had less trouble with other members of the House and could therefore pass his bill without too much opposition. I don't know whether another tactic might have worked just as well and at the same time have been less nerve wrecking, but in case, I think the record would show that both Rooney and Passman had little opposition either in the full Appropriations Committee or on the floor of the House. I think they both got something of a sadistic pleasure in making us look like fools, both in the hearings and on the floor.

My next appearance came when I was the Deputy Assistant Secretary for Management and I testified before Rooney on our financial requirements for our automation and mechanization program. I was very nervous and I am sure that Rooney and the other subcommittee members immediately recognized that. Rooney knew that I had worked for Crockett and he let me off quite easily, but that was a very traumatic experience since that was the first time that I was the main spokesman for a program. When I became the Department's principal witness on the security assistance program, the situation was a little bit different. I appeared primarily before the authorizing committees and they met in large rooms with a raised dais where the Committee members sat looking down on the witnesses. There was a physical difference of at least twenty-five to thirty feet which made for a less tense atmosphere and an opportunity to have a more civil and thoughtful dialogue. Even the Appropriation subcommittees held hearings in larger rooms and were less painful than my earlier experiences.

Although the Administration witnesses were representing an equal branch of the government, we did sit in a well, just as the accused do in court. The Legislative body's members looked down on us. The early to mid-70s was a difficult period for Security

Assistance. The Vietnam War was having a general debilitating effect on the American public's interest in being involved in off-shore matters. The provision of arms or other war related resources was being seen by more and more as U.S. involvement in the affairs of others. The very thought of providing weapons that could kill people was an anathema to the liberals. There were stirrings about providing weapons to repressive regimes, which abounded in the world, but because most of them were anti-communist, deserved our support, according to Administration dogma. There were many people in Congress who felt that the program was out of control and had grown way out of size.

Our defense was the standard one which was repeated year after year. There was a “Cold War” and we had to help our allies and friends. Furthermore, we had military bases in these countries and although we were not willing to pay “rent”, some compensation for the use of the facilities seemed to be in order. The grant program was running out and we were principally making loans, although we sometimes had difficulties answering questions about the economic viability of some of our recipients. As I mentioned before, we had some difficulties explaining the human rights violations of some of the recipients, although the issue was just emerging and had not reached its crescendo. But defense of the program had passed the cursory glance period and it was under severe criticism. The whole dialogue with the Committees were made much more difficult by the classified nature of some of the topics we were discussing and by on-going negotiations with other countries that could not be revealed in public sessions. There were some members of Congress who knew, both directly and from their staff, some classified information, but who would insist on asking questions in any case. That made our job as witnesses much more difficult and although I never lied, on a couple of occasions, I did not give a full answer. Congressional testimony is an art. Kissinger was a master of it and there are others as well, but it was just not a matter of answering what appeared a straightforward and simple question. At times, it become a “cat and mouse” game which may be interesting to the Members, but I am not sure does much for the American public.

I spent much of my time, particularly in the first part of my tour as Deputy Assistant Director, working with Hill staffers on a new Foreign Military Sales Act. Jim Michael, then the Assistant Legal Advisor for politico-military affairs, and I were the principal State Department representatives what in effect was a joint Legislative-Executive Branch Task Force. This working group met for months. In retrospect, I have always considered that our efforts were inadequate in terms of protecting the prerogatives of the President and the Executive Branch. This was the beginning of the micro-management of foreign affairs by the Congress which by now has led to legislation so restrictive and so detailed that an Administration does not have sufficient flexibility in the conduct of foreign affairs or in the appropriate allocation of resources. By the time we had finished rewriting the Act, it permitted Congress to involve itself in the details of the conduct of foreign policy. That is not, in my mind, what Congress was set up to do. It is to provide policy guidance, but not to execute. Not only did the rewritten Act raise some fundamental Constitutional questions, but it also required such Congressional scrutiny that it almost mandated a geometrical increase in the size of Congressional staffs. If Congress is going to ask for more reports and more involvement in the conduct of foreign relations, then it has to have a staff to implement the new responsibilities it has assigned to itself. It was not a wise policy. Jim and I recognized the direction the Congress was taking us, although at least I did not realize the extent that the new Act would lead to micro-management. However, unfortunately, there was not much interest or support from our superiors in the Department. I think they looked at the rewriting effort primarily as a technical matter; they really didn't care to become involved in the “nuts and bolts”; they did not come the realization that the “devil is in the details”. Furthermore, no one wanted to get into a hassle with Congress on the questions of arms sales. It was not a subject that would have had much resonance in the country nor probably much support for an Administration which would have been painted as one that did not want any supervision of its role as an arms peddler. One of the immediate results from this new legislation was that Congress had to be given 30 days notice before any sale over a certain amount could be consummated. It had the right to veto such sale if it so desired. That eventually led to some horrendous compromises, such as selling anti-aircraft weapons, but only if they were not movable. The trend that started in 1973/74 eventually also led to much more “earmarking” of funds to an extent that today an Administration has practically no leeway in its assistance allocations, not can it really respond to emergency situations since its allocations are frozen by Congressional mandates. It clearly makes foreign policy much more subject to domestic political pressures. The micro-management and the resulting increase in the Congressional staffs has by today become the bane of existence of the Executive Branch. I note with some amusement that some of staffers that were involved in the 1973 negotiations, such as Dick McCall, are now working for the Executive Branch and seem not to enjoy the process that we started in 1973/74.

Congressional staffers have always been very powerful. Going back to Crockett's days, the director of the State Department's appropriations subcommittee was treated almost as gingerly as the chairman himself. That was probably also true for Fulbright's man and well as Hayes'. But with the increasing involvement of Congress in the conduct of foreign affairs, all senior staff members have become vital to the Executive Branch and are treated as royalty. Staffers have become very intrusive in the process as best illustrated I think by Helms' people during the Reagan-Bush period. As I said, we recognized in 1973/74 that were giving away “part of the store”, but I didn't have any idea how much that was really to become and I am sure neither did our bosses. I think they might have reacted somewhat differently if our crystal ball had been clearer. Since we lacked support from the top and were under some pressure to bring our negotiations to a conclusion, so that a “Foreign Military Sales Act” could be enacted, we gave away a lot executive prerogatives and, as I said, in retrospect, far too many.

*Q: During the period we are discussing, there were many countries around the world that were run by dictators. Did we pay much attention to the type of government to which we were rendering assistance?*

STERN: Within the Administration, our principal interest was whether the government was on our side in the Cold War. Outside the government, many voices were raised opposing our policy. Inside the Department, I don't remember any debate about the kind of government that was receiving assistance. Human rights was not yet on our scope. In Congress, you could always count on at least one member of a committee cross-examining us on why we provide assistance to country X or Y, which had dictatorial regimes. Since anti-communism was still widely supported in the country, the answers were straightforward and usually did not engender any debate. Many of the Administration witnesses had some qualms about the internal policies of some of the recipient governments, but the Cold War was still our principal focus and all other considerations were secondary. We did eliminate assistance to police forces or semi-police forces and tried to make sure that our weapons were not used to suppress domestic discontent. Of course, we also had a restriction on using our weapons for aggressive attacks outside the border of a country. Those restrictions if they had been rigidly adhered to would have greatly limited the use of our weapons. We also did not permit the sale of our material to other countries without our permission. The weapons were basically for self-defense and for that purpose alone. The policies were not always adhered to, but I don't remember that we ever took any punitive actions against countries that violated our laws and regulations.

The more difficult philosophical question was whether the United States should be providing arms or money for the purchase of arms at all. No one objected to our sales to NATO or Israel or Korea. But we had great difficulties defending security assistance or arms sales to African countries and some Latin American ones, not because many of them had dictatorial regimes, but because there were tensions in the regions and many people expressed the fear that we were increasing them by our military assistance policies. The fact of the matter is that there had never been, and I am not sure there is yet, a good study made on the impact of arms on regional stability. There had been one study made, whose thesis I used widely both in Congressional testimony and in appearances before public groups. That thesis indicated that when two countries were evenly matched in military power, there was less likelihood of an outbreak of hostility. When there was a major disparity in the military balance, there was also little chance for hostilities. But when there was a disparity, if the weaker power began a militarization program, then the chances for hostilities breaking out were good. One example was India-Pakistan where war broke out as the Pakistanis were trying to modernize their forces. I think you could make the same case in the German-Franco-English military relationships of 1939. I don't know whether the thesis was really valid, but it was the only academic work on the subject that I was familiar with. What we essentially said was where there was a balance of power, the chances of hostilities were minimized and our military assistance programs were directed to maintain such balances. Of course, there were situations such as Greece-Turkey which meant providing assistance to both sides. In other cases, such as Pakistan, we were engaged in balancing what the Soviet Union was providing the other side (i.e. India). But I have never seen any good studies on the relationships of hostilities and military assistance or whether there are generalizations one can draw from history on the causes of hostilities. In 1973, neither the pro or the con-military assistance sides had much historical basis for their arguments.

One of the most vivid recollections I have of Congressional testimony came the first time I appeared before Hubert Humphrey and his Senate subcommittee on foreign assistance. I had a long statement written, one that I had worked on for weeks because it was to be Administration's principal statement on Security Assistance. It went in some detail both about our general philosophy and some of the country programs. I started to read it and about half way through, Humphrey interrupted me and said: “Mr. Secretary, you are going much too fast. You are reading your statement much too quickly!”. I answered: “I am sorry, but if you had read it as many times as I have and had worked with it as long as I have, you would also want to finish it as quickly as possible. I am sick and tired of it!”. I was always amused that I was addressed as “Mr. Secretary”. I was a lowly Deputy Assistant Director, but I guess it made the record look better and the members of Congress felt better because it made it sound as if they had a high ranking official testifying.

I must say that my tour in PM ranks high in my career. It had a lot of interesting challenges. One of the problems we had was that we could never discuss our negative decisions on arms requests. We did deny some requests both for arms themselves and for financial assistance, but we could not really discuss them in open sessions because it would have been a embarrassment to the requesting country. When we testified, we were always asked whom we had turned down. We had to answer that we couldn't say in an open session which obviously left the impression that we approved everything that was before us. That was not the fact. On the commercial side, we pre-empted sales efforts by some American firms by denying them a license to even brief some foreign military establishments.

On the sales side, the only countries that went un-challenged were Iran and NATO. Iran had absolutely a carte blanche.

*Q: To my mind, that was one of Kissinger's main failings. For some reasons, he turned a blind eye to the Shah's insatiable appetite for weapons.*

STERN: At that time, our foreign policy in the Middle East rested on the “two pillar” theory. One was Iran and the other was Saudi Arabia. For reasons that I have never fully understood, the Shah could procure anything he wanted. What I don't think Kissinger fully recognized was the large number of Americans that were required to set up the military establishments in both Iran and Saudi Arabia. We were involved in building infrastructure, in training, in maintenance, in everything to do with running a large military establishment. The Americans were U.S. government officials, American military personnel and private American contractors. We over-ran these countries. The Americans were obviously quite useful to the Iranian and Saudi governments; they could not have acquired and maintained and built their military capacity without large American assistance. Neither country had the technical capacity to handle the kind of build up that they sought. But it is not very clear that all this massive assistance was very useful to our national security because thousands of Americans living in a culture so foreign and different from what they were accustomed to tended to raise tensions with the local populations. The contractors, particularly in Saudi Arabia, tried to insulate their personnel from the local populations by building self-sustaining little cities in the desert, as ARAMCO had done, but there was bound to be some contact with the native people. These were not always positive as you might well expect. Many of our people were hard working, hard playing construction types and they would have had great difficulties with Muslim restrictions. Our presence therefore was not always a positive factor; it may in fact been one of the negatives that brought the Shah down. I never had a sense that there was any strategy behind Iran's procurement; it if it was new toy, the Shah wanted it. And he got it.

But with the exception of Iran, all other requests whether for arms or security assistance was, were scrutinized rather thoroughly. We turned down a number of requests for Latin America, particularly for advanced jet fighter planes. We tried to minimize the modernization of the air forces in Latin America. They didn't need the newer planes for defense purposes; they didn't have the infrastructure or manpower to fly and maintain a new fleet. There were some requests that just didn't make any sense at all. As a general proposition, the Defense Department usually supported requests, partly because in some cases, the larger the orders a manufacturer might have, the lower the cost per unit. Fortunately, the Department of State had the final word unless the case was appealed to the NSC, which happened rarely. I also remember that we denied security assistance to Lebanon, which even at that time was a powerless force and its modernization might just have increased the internal frictions among the various religious sects. It certainly, even with modernization, could not have held off the Israelis or the Syrians, so we saw no justification for providing assistance. There were some other examples of our denials, but I just wanted to make it clear for the record that the Department, and PM specifically, gave each request, for security assistance or commercial arms sales, a thorough review.

We in PM did not win all the battles, but most of them. I had an officer director, Dan James, who was ideologically very much opposed to security assistance. He was a wonderful foil because I could always count on him to oppose most requests by the

Bureaus for funds for military assistance. It is always useful to have a “devil's advocate” on your staff. I did not accept his arguments in most instances, but he did stimulate all of our thinking and at least was some sort of a brake on the insatiable appetites of the Bureaus.

One day, I was in my office, minding my own business, when Roy Atherton, then Assistant Secretary for the Near East, came by with a few members of his staff and asked whether I would like to go along with him right then for a meeting with the Secretary. I didn't have the slightest idea why the meeting was being held or what the subject matter was and Atherton did not enlighten me. But I went and walked into Kissinger's office. The first thing the Secretary did, in his usual charming way, was to say: “What is he doing here?” pointing at me. Roy explained that the issue to be discussed was a security assistance matter and he thought that I should be involved. It turned out that Kissinger wanted to see whether it would be possible to use some security assistance funds to finance a factory in Egypt to produce spare parts for Soviet military equipment. The Soviets had become disenchanted with their former clients (or vice-versa) and had ceased to provide military equipment to the Egyptians, who were left with a lot of weapon systems which could not be used for the lack of spare parts. I assumed that Sadat had asked Kissinger whether we could finance production line (and most probably technical advisors) that would produce at least spare parts if not complete systems so that his troops could be armed. When it became clear to me what the subject of the discussion was, I then understood why Atherton had asked me along. He and his staff did not want to say “No” to the Secretary. So when the question was asked, everybody turned and looked at me. In light of the silence, I said: “No, Mr. Secretary, I don't think that can be done”. That did not go over very well. Kissinger scowled; he was not pleased with the answer. I didn't have the law in front of me, but I was pretty sure that the Congress would not have viewed the use of the taxpayers' money for such purpose with any great enthusiasm. Furthermore, I thought it would probably be public relations disaster when the media would have uncovered it. That episode was in part an illustration of the Department's view of security assistance. It did view it as money for “improving relations” between the United States and the recipient country. We were never able, in some cases, to answer satisfactorily, at least in my mind and to Congress, what the U.S. got in return. If we had a military facility, that was easy. If it strengthened our alliances, such as NATO and South Korea, that was easy. We used to talk about “stability”, about UN votes, freedom of navigation, landing rights, etc. but the arguments in some instances there were not concrete quid-pro-quo for the assistance and the justifications were soft. The funds were just general “sweeteners” to make the life of our representatives overseas a little easier. I don't want to leave the impression that this was the case for the majority of the program; it was not. We had sufficient justifications, whether it was for base rights, or modernization of allied forces, or equipping foreign forces that were under some threat of attack. But there were a number of smaller programs that were suspect.

*Q: What about military assistance to Israel? You were in PM when the 1973 war was fought. What was the impact of that event on security assistance? I remember that our military was very unhappy when we moved their equipment, particularly from Europe, to help the Israelis.*

STERN: I had just reported to PM a couple of months before the war started. I am not sure that I was even responsible for security assistance when the war began. But I did know that we had an annual very rigorous review program with the Israelis to review their security assistance requirements. A team of their Treasury and military experts would come to Washington for a few days and the U.S. government would review both their financial condition and their military requirements. It was the only country which was subjected to that kind of thorough scrutiny. These session were very much like budget hearings chaired by PM with Defense and Treasury representatives in attendance. Then I think there were separate session with DoD and Treasury as well. So it was as thorough process as we had. We had a sort of a “benchmark”. We wanted Israel to be both economically and militarily sufficiently viable to insure its continued independence, but we were also careful about creating any feeling among the Arabs that an arms race was being fostered in the Middle East. I think that was always one of our objectives which became more complicated when we began to assist the modernization of the Saudi Arabia forces. Iran was never much of a problem because the Israelis had close contacts with the Shah and I think viewed him as a supporter, or at least as a stabilizer, in the area. Jordan was the real problem because it was the neighbor which felt most threatened by the Israelis. We walked a fine line when we provided arms to the Israelis and the Jordanians. We tried to provide a level of military assistance which would permit the development of a recognized self-defense capability, but one that would not be so overwhelming that its neighbors would feel threatened. It was a difficult challenge, particularly when it came to air power. To maintain a “proper” balance got us into some difficulties. I mentioned Jordan's concerns. To balance some of Israeli air advantage, we decided to provide Jordan with some surface-to-air missiles and launchers. The Israelis objected vigorously and there were many members of Congress who supported them. We finally compromised and provided the Jordanians launchers that were not mobile; that is, we took the wheels off and the launchers were then fixed in one spot. These negotiations took months and were at the time a cause celebre. Our Saudi program was also the subject of much debate, which was partially resolved by building only air force bases far removed from Israel. Not all of these events took place during my tour in PM, but we had enough of these kinds of issues to make life interesting. The Saudi bases were not financed by the United States, but we had to license the technical assistance that was required. So we were, and still are, quite intrusive in the Middle East. Syria and Iraq were not a problem for us because they were essentially clients of the Soviet Union, from where they got much of their equipment as well as from France, I believe. Neither country in the early 70s was much of a threat militarily because oil had not yet become such a major foreign exchange earner.

We did try to enforce some limits on the modernization of the Israeli army before the '73 war. That permitted us to talk with some justification about a balance of power in the Middle East. There were Israeli requests that we did not satisfy. For example, we would never provide cluster bombs because they were obviously offensive weapons.

Furthermore, there were requests for sophisticated weapons that would have to be taken out of the inventory of our armed forces and before 1973, we did not do that, as far as I knew.

There was always a question of who would be the first, second, third etc. recipient of American production. That was not an Israel issue alone, but applied to many of our arms sales. I used to be briefed by representatives of our military production companies (e.g. Northrop, General Dynamics, General Motors) on their production plans. Almost always, our own military received first priority. Sometimes, Defense had to share some of the production with foreign buyers, particularly NATO and some other close allies. A shortage of production capability required us to referee at times, although I don't remember that ever being a major problem. But in most cases, the foreign buyer just got into line and had to wait his turn. Production was a problem especially for advanced aircraft; other weapons systems could be pretty much accommodated to meet both production capabilities and the delivery demands of the foreign buyer. As I said before, I can flatly say that economic considerations, that is the economic welfare of American companies, was never an issue that we considered either in making resource allocations or approval of arms sales. We were accused of doing so, but it was never true.

So as Deputy Director of PM, I became acquainted with a number of American arms manufacturers. I became especially well acquainted with the Northrop Company for a number of reasons. One was that one of their Washington representatives was a former military officer with whom I had served in Bonn. Secondly, and more importantly, Northrop was the only American weapon system manufacturer who had developed a system with its own resources essentially and exclusively for export purposes. I am referring to the F-5 family of fighter planes. All other manufacturers were using government funds for R&D work and whatever export sales they made were a by-product of their production for the American military. Northrop, on the other hand, explored the needs of non-NATO countries and developed a plane which met their defense requirements. I regretted the fact that our government did not support the F-5 program more. Our Air Force refused to buy that plane for its own use, although eventually I think it did buy a few to simulate the Soviet air force. But essentially our military turned its nose up at the thought of buying a plane which had been designed to meet the needs of smaller countries. Foreign countries therefore viewed the F-5 as an inferior weapon system because the US air force did not procure for its own inventory. It preferred F-4s and later F-16s and F-20s. These were weapon systems which the non-NATO countries really didn't need. They were far too advanced for them and the F-5 was a perfectly adequate system for the defensive purposes of most countries. The major difference was, at the time, the flying range which was not really an issue even for a country like Korea. In fact, the F-5 was a very good platform which would have served some of our own Air Force's needs quite satisfactorily. And it was a lot cheaper than other fighter planes. But the F-5 did not meet DoD's requirements and therefore was not on its procurement list. That gave concern to other countries some of whom opted to buy French or British when we would only approve the sale of F-5s. As I found out later, while we were supporting the F-5 program as tailor-made for the needs of most countries, the Air Force members of Military Assistance Advisory Groups may have been giving contrary advice to their foreign military counter-parts. It was to DoD's advantage to increase the production of F-4s, F-16s and F-18s because that would reduce the cost of each plane produced. So there were some officers who were undoubtedly pushing other planes besides the F-5s for that reasons even though we had made it clear, I think, that as a general policy we would much prefer to sell the F-5s in most cases. So we had a difficult time getting other countries to request F-5s, although Northrop did make many sales. In fact, it was the State Department that was Northrop's strongest supporter because it manufactured a weapon system that quite adequate for the most countries' defense requirements and one that was considerably cheaper than the high-tech gadget-loaded planes that other American and European manufacturers produced. The Northrop story had never been fully told; it consists of a lot of errors, particularly when it came to some of their sales processes, which included bribes (disguised as commissions), but the company had also a lot of hits. I later became acquainted with its CEO, Tom Jones, who was a very intelligent person; the

Northrop story is one that should be told in full sometimes because it illustrates the best and the worst of American business.

*Q: That comment brings to my mind an interview I had with Ann Swift, who was the Politico-Military officer in the Philippines. She may have picked up the American military attitude because she said in somewhat disparaging terms that the F-5 looked great on the runway. She was suggesting, I think that since it was not a Defense Department product, it could not have much good.*

STERN: I think she was wrong on the substance. As I said earlier, DoD used a few F-5 planes to play the role of the Soviet fighters in simulated combat situations. The F-5 was a perfectly adequate platform for most countries around the world; its main deficiency was range, but for defensive purposes, that is not a major issue in most cases. I am sorry that we in the Department did not insist more strongly on selling F-5s rather than the higher tech planes. In fact, in many cases, we had to strip down the F-4s, F-16s and F-18s both to guard some secret parts of the plane and to reduce its combat capabilities. In retrospect, I am not sure that the U.S. government policy on combat aircraft sales was the best that could have been developed.

*Q: Let me go back to the Israel situation in the Fall of 1973. Did you get involved in the resupply effort which according to some people siphoned off a lot of new equipment from our forces, particularly from Europe?*

STERN: My involvement was at the margins. Kissinger kept the Department pretty much in the dark. What we knew was primarily through Sey Weiss from his Pentagon contacts. They complained both about the depletion of their stock and about the delay in the shipments. I learned later that Kissinger and Schlesinger, each for their own reasons, were at odds about the shipping issue with NSC Advisor wishing to delay the deliveries and DoD wanting to get material into Israeli hands as quickly as possible. But all I know about that issue is what I read about it later. Sey may have talked to Kissinger on one or two occasions about the issue, but we were not really involved nor was much of the Department.

*Q: After the war, was there a sea-change in our assistance program to Israel? Or did that come after Camp David?*

STERN: That came after Camp David particularly in respect to financial assistance. After the '73 war, we may have become somewhat less rigorous in our review of Israeli financial and military needs. We went through the exercise, but it was pretty much a pro forma operation. The major increase in assistance came after Camp David.

Just a summary, I might say that Security Assistance and arms sale programs served as a useful tool of our foreign relations. There were undoubtedly excesses: the Iranian program, the Saudi Arabia program (although much of that happened after my departure from PM), some of our African programs, even if small, some of our Latin American programs, also relatively small, but in general the programs gave us a level of influence that we could not have gained otherwise and I don't think that it can be credibly charged that our programs fostered hostilities or even raised tensions which would not have existed otherwise. The Latin American programs had to be given special attention because many of the regimes were dictatorial and we were not in the business of supplying arms so that the populations could be repressed. I think our military did a very good job in setting up training programs for the Latin military, which may have eventually paid off when many of the military forces in the region decided that they really didn't have a role in the political life of their countries. There are still some temptations, but we have come a long way on this issue in the last twenty years. One might make a case that by supporting the Pakistanis, we raised Indian concerns, but there were so many factors in that dispute that to single out our military assistance as a major one would be over-stating the case. We tilted much more towards Pakistan in the early'80s although even while I was in PM, there was a policy of trying to maintain some balance between the Soviet-supplied India and Pakistan.

It is never popular to be involved in programs that may cause deaths and it was particularly difficult for me in light of my Quaker education. But sometimes you have to accept human nature as it is; not every one in this world is a pacifist and a “good” person and if a government is determined to buy arms, it will do so. Under those circumstances, I much preferred that they be American arms because we were careful about what we provided and because we used the arms to influence the foreign government in not using them. People used to scoff at our position that if “we didn't supply arms, others would”. But it was a fact that was shown over and over again. I never did understand the people who preferred to close their eyes and preferred a policy of neglect rather than trying to use whatever influence the U.S. might have had to reduce the tensions in an area and the possibility of outright hostilities.

I might just add one footnote to the military assistance program that has never gotten the appropriate attention. Although we used to give at least a cursory glance, we never explored sufficiently the absorptive capacity of the recipient country. We paid some attention to the financial costs and the economic consequences of our military assistance programs, but very little to the question whether the foreign military forces could in effect really use this equipment. DoD was always certain that it could train anybody and everybody to use the equipment. I think that there were several situations where the equipment was far too sophisticated for the recipients and I know of some instances when our equipment just rusted in warehouses. Also I suspect that in some cases the equipment could not be used because some spare parts were missing and the country could not afford to buy them.

*Q: I think it was Bob Dillon who was the DCM in Egypt who described going to an Egyptian military base and finding that the complex American equipment required such a sophisticated supply system that the Egyptians couldn't cope with it. So it was probably both a maintenance and a supply problem.*

STERN: That story doesn't surprise me. I have no doubt that some of our assistance was wasted, but we tried to compensate somewhat for the problem by setting up Military Assistance Advisory Groups (MAAGs) who bore some responsibility for assuring that the American equipment was properly maintained and used. Also the manufacturers tried to help in some situations. Despite all of that, I am sure there were circumstances in which both we and the recipient country's personnel were overwhelmed by magnitude of the problem. One of the countries that had difficulties was Iran which did not lack for American support, but the magnitude of the procurement and the sophistication of the equipment was just too great. You could see that quite clearly after the Shah's overthrow and the Iran-Iraq war. Of course, the fact that we cut off Iran from spare parts resupply had considerable impact, I am sure. We were always careful to hold spare parts acquisition to a minimum; we didn't want large stock-piles if we could help it because as long as the recipient had to depend on our provision of spare parts, we had considerable leverage. In some cases, new equipment was procured by recipient countries too quickly to be absorbed efficiently. We never had a rigorous evaluation process of this absorptive capacity which would give us in the Department of State some feel for the condition of the equipment that had been procured by the foreign government. I am not sure that it would have made much difference because the acquisition mentality of many governments was boundless, but we might have been able to steer some away from the most egregious wastes.

Our process for the determination of the allocation of the resources was a pretty good one. We had an inter-agency steering group which we used to hammer out agreements. It was called SAPRC (Security Assistance Review Committee) which had been established by Ron Spiers, the previous PM Director, and Tom Pickering, my one of my predecessors. I thought that worked very well. There were a lot of agencies represented on the committee, which met at least during two periods each year. The disagreements were worked out there; seldom did we have to raise an issue to higher levels. PM's major differences were with the regional bureaus and not other agencies. They always wanted more and were not able or were unwilling to prioritize their requirements despite our efforts to force them to do so. Their “wish” list was always far beyond that we could afford and when we asked that the amounts be brought down to manageable proportions, there were always scream of anguish from one desk or another. At times, we just had to make an arbitrary decision on a country allocation.

The three years in PM were very interesting and challenging. There were a lot of interesting problems. I learned a lot about bureaucratic processes, Congressional relations, the consequences of power vacuums at the top of bureaucracies. I was undoubtedly not qualified for some of the assignments, particularly at the beginning, but I somehow survived.

*Q: Then in 1976, you were assigned to Korea as DCM. How did that come about?*

STERN: Once again, sheer coincidence. I might just note here that I don't think I ever sought a position either in the Civil or Foreign Service. I went where I was told, with one exception: there was some talk about sending me to Vietnam and I suggested that since I didn't know French, the Department might look for another candidate. It fortunately did.Back to PM. Dick Ericson, who was the DCM in Seoul, Korea, was anxious for personal reasons to return to Washington. He was interested in an assignment in PM. He had been close to the American military in Seoul and therefore was somewhat familiar with politico-military issues. Somehow George Vest, who had taken over from Sey as Director of PM in 1974 after both he and Sey had disagreements with Kissinger, heard of Dick's interests and thought he would like to accommodate him. George, as I indicated, had shown as little interest in Security Assistance as his predecessors. Both wanted to be players in disarmament and nuclear issues and therefore, as I have said, left the Security Assistance program to me and Carlyle Maw's special assistants. I was ready after three years to take up new duties and when George suggested that Dick and I swap jobs, I jumped at the opportunity. I might just note that in 1974, I had gone through the agonizing period of changes in bosses. When you are a deputy director or deputy chief of mission and a new director or ambassador is appointed, there is always a period of suspense. The assumption that the system makes is that the new boss will change his or her deputies. It is one of the few prerogatives that the personnel system still allowed at the time. The days when an ambassador could pick and choose and had to approve all assignments were gone; he/she was essentially left with choice of deputy. So when George Vest came in, we had a chat during which he put me on notice that he wanted to see how I would work out and then would make up his mind. The same thing happened to me in Seoul, except there a candidate for replacement had already been selected when Bill Gleysteen replaced Dick Sneider in the Ambassadorial position, but in the final analysis, Bob Rich could not be spared and therefore I stayed in Seoul another year. But I am getting ahead of the story. The point I wanted to make is that State's personnel system is very hard on deputies. They have no job guarantees at all and when their bosses change, their future is always in doubt and frequently changed. But in my case, I was lucky and George decided to live with me for another couple of years.

But when 1976 came around, I told George that if there were any opportunities for change, I thought it would be good for me and so when the Ericson-Stern swap was proposed, at least George was ready to approve it. Dick Sneider, then the Ambassador in Korea, also had to approve. I had to fly to Honolulu, where a Far East Chiefs of Missions conference was being held, to be interviewed by Sneider. We talked for an hour or so and I guess I didn't say anything too outrageous. So Dick Ericson and I changed jobs. I was no more qualified to be DCM in Seoul then I was Deputy Director for Security Assistance in PM. So much for career planning in the Department of State!.

I arrived in Seoul on July 1, 1976 and was startled to see at the airport a large American delegation led by both the Ambassador and the Commander-in-Chief, Richard Stilwell. I could not understand how I rated such a reception. It turned out that General John Singlaub was on the same plane. That was the reason for the American and Korean military presence. He was going to be the chief-of-staff to General Stilwell. But none of that became clear to me until after arrival and exchange of greetings.

I should mention that before leaving Washington, we were wined and dined by Korean embassy personnel here. I was also approached by a Korean Congressman by the name of Roe. He came by the office to introduce himself and to offer any help and assistance I and my family might need. He took us out to dinner; no one seemed to know much about Congressman Roe here in Washington. It turned out that he was one of the sleazy characters in the Korean political scene, well known in Seoul for being the conduit for large sums of money from the government to other people. He was the “pay off” man and may have conducted some of that business in the United States, although no proven charges were ever produced. He was not, as far as we knew, like Tongsun Park in Washington. But in Korea, Roe had an unsavory reputation. Someone also arranged for us to meet a Hollywood actor by the name of Ahn who was then well known for playing a variety of oriental figures in American movies. So the Koreans went out of their way to make the new DCM and his families welcomed!

Roe was also at the airport. He sidled up to me and suggested that as one of my first acts in Seoul, I should pay a courtesy call on Madam Park's grave at the earliest possible moment. She had been the wife of President Park Chung Hee who had been assassinated a few years earlier by a North Korean “hit” squad that had been sent to Seoul to take out the President. The bullets missed their targets and killed Mrs. Park instead. In any case, I agreed and the next day we were picked up and Vivian and I went to Madam Park's grave, which was at the top of a high hill overlooking a large grave yard and city park. Congressman Roe had produced a major spectacle; he had a large wreath made up which was brought to the graveside in our presence while many photographers and spectators witnessed the event. We didn't really understand what was going on but the strings were being pulled by this unctuous and sleazy character Roe. It turned out to be good public relations because in light of all the fuss, President Park heard of our visit and allegedly was grateful for our public appearance. Vivian and I were introduced to the

Korean community on July 4, which was a major event in Seoul. The Sneiders used to invite everybody and his brother and in 1976, it was a particularly large spectacle because it was out the U.S. bicentennial.

We had rushed out to Seoul. Our original plan was to take the months of July off and travel to Seoul across the country at leisurely pace. But Sneider insisted on a July 1 arrival because, as I found our later, it was his custom to spend July and August on his farm in Vermont. So he was in a hurry for me to arrive so he could introduce me around, give me a couple of days of briefings and then take off. As I said, I knew very little about Korea; I knew none of the staff; I knew nothing about being a DCM. Ambassador Sneider, on his way to the airport, as I was mentioning my concerns said: “Nothing happens in Korea in summer. Relax!”. A week later, on August 17, I believe, we had a major incident on the Demilitarized Zone when two of our American officers were killed by a detail of North Korean troops. They were trying to trim a tree so that they could have a better vision of enemy territory. The North Korean called it a “sacred tree” and that started a whole chain of events that I have covered in my previous interview and I won't go into again here. That was my baptism. The situation was made worse by the absence out of the country of Stilwell and the development of a whole new set of circumstances that no one in the Embassy had ever faced before.

My role as DCM in Korea was somewhat out of the ordinary. I have noted that the oral histories of many former DCMs describe their main function as the management of the Embassy. They were “Mr. Inside” while the Ambassador was “Mr. Outside”. In Korea, we had a different situation. Dick Sneider and General Stilwell didn't get along and in fact rarely spoke to each other. That left the relationship between the Embassy and the U.S. command to the DCM either with the CINC or his deputy. That made the DCM's job much more interesting. I used to have weekly lunches first with Deputy Commander General Burns and later with General Gabriel, who subsequently became Air Force Chief of Staff. I also became very friendly with the Korean Deputy commander, General Lew. We had a very confusing command system in Korea with the senior American General being a) the UN commander, and therefore in command of most of Korean troops plus token representations from other nations, b) the U.S. commander and c) some other miscellaneous titles. It was something like the American General in charge of NATO; he wears so many hats that his head could not possibly be large enough, but it is a very useful management approach because it gives him a lot of flexibility to do what he wishes by using one authority or another. This role as principal liaison, which I inherited from Ericson, between the American civilian and military authorities in Korea enabled me to assume the role of the chief politico-military officer at the Embassy. That led me to contacts to the senior Korean military officers; I knew all the Chiefs of Staffs and many of their senior staff. By the time I finished my tour, I had become friendly with a number of them. I did not obviously receive any great secrets from them partly because it wasn't necessary, partly because they didn't have any, but we always felt that the relationship was useful as a potential asset in case of a crisis. I could have called on any of the senior Korean military and gotten a good response in the event of a crisis. As luck would have it, I had left a few months earlier in 1979 when in fact the military pulled a coup. It was not devised by the senior officers and therefore I don't know whether my contacts would have been at all helpful, but I believe that as a general concept all DCMs should develop good relations with the host countries' military particularly in those countries where they play a very influential role. It is true that even in a democracy like the United States, the military are an important institution which has influence as recently seen by Clinton's retreat on the issue of gays in the military. As a general proposition, I don't think we have adequate contacts with the military establishments around the world. I should note that President Park on a couple of occasions during my tour sent out orders that no military officers would be given senior assignments if they spoke English. I think he became concerned with the developing close contacts that the U.S. military and diplomatic establishments were making with his officers. One Korean general told me that he had been ordered to reduce his contacts with me if he wanted to be promoted. It was a silly policy because the very close relationship that the UN command structure required between U.S. and Korean military dictated that many of their officers had to learn English. And they did. Many went to the U.S. for training and there was nothing that Park could really do about that problem. But it showed some of the paranoia of dictatorship.

The Korean military were a unique group. In the first place, they firmly believed that they were the elite of the country. I suspect that in the main they were right. They viewed themselves as the defenders of the nation and saw themselves as being widely applauded by the great majority of the population. I think in the mid to late '70s that was true. The Park regime, dictatorial as it was, was certainly not wildly applauded, but the Koreans accepted it because he brought economic development to the country. His policies (or rather those of some U.S. trained Korean economists) did bring rapid economic growth to the country and as long as the standard of living was rising on an equitable basis, the population accepted the restrictions on their freedoms. The military was not used as an instrument of repression, at least not publicly and therefore escaped the hatred the population had for some institutions like the KCIA. The military itself insisted on maintaining that popular support. Although it was deeply involved in the politics of the country and its representatives occupied many senior positions in government and in the private sector, it managed to maintain the public's approbation. It was one of neatest political tricks of the century and I never fully understood how they got away with it. One reason was that the military was seen as a leveling factor. All Korean youths had to serve in the military for two years. They were a tough two years for most of the recruits because the conditions were often more than spartan and the officers were brutal to their men, but because rich and poor were treated equally, the military became seen as a leveler that disregarded economic differences. For Koreans that was very important because their psyche focuses on “Han”. “Han” is a sociological phenomenon which has been covered by many studies, but it revolves around a kind of envy of your neighbor and a disposition to blame your position in society on the unfair advantages that somehow accrued to your neighbors. So that an institution that tried to bring every one to the same level did gain the respect of the majority of the population. This Korean distaste for inequities was well understood by Park. All of the wealthy Koreans, and there were quite a few, that had accumulated fortunes through business enterprises that sprung up after the war from very modest beginnings, lived very modestly. I remember going to a dinner party at the home of the chairman of one of the large conglomerates and after the meal being shown some priceless art objects that he had very carefully kept packed and hidden in his basement lest it attract the government's and the public's attention. There was a widely told story of President Park having accepted a lunch invitation by one of these tycoons. He drove up to the house and without even getting out of the car, ordered his chauffeur to turn around and return to the Blue House (the presidential residence) because he felt that his putative host was living too ostentatiously and he wouldn't have any part of that. It is true that the Blue House was furnished very modestly and that even the entertainment areas were quite plain. The Korean drive for equality was a real cultural goal in the late '70s.

I think I was the only civilian American who was invited by the senior Korean military officers to their homes for social occasions. Usually there would be a couple of U.S. generals and their wives and Vivian and myself and half a dozen senior Korean military officers and their wives. It was much tougher for the American women because the Korean wives didn't speak English. Some of the men did and we managed to get through the evenings more or less. We were of course greatly helped by the eleven o'clock curfew that the Korean government enforced vigorously. You could count on the parties breaking up by 10:30 p.m. which was a great boon to the diplomatic corps because I am sure the Koreans would have partied all night, given an opportunity. But being accepted by the Korean military was an asset for the Embassy and made our U.S. presence in Korea a much more coordinated one.

My relationship with the U.S. military was very good. Dick Stilwell was very kind to me as was Jack Vessey, his successor and eventual Chairman of the Joint Chiefs of Staff. As I suggested, the U.S. team worked pretty cooperatively in Seoul. There were of course periodic frictions because on some issues we just didn't agree. Any differences were exploited by the Koreans, who knew them right away because they had their own officers in the UN command. The Koreans were not above trying to play one U.S. government institution against another, but it was never really successful. The Koreans confronted us periodically with the dilemma of who represented the United States. Officially, of course, it was the American Ambassador, but in reality, it was the American military they cared about. Furthermore, with the U.S. CINC being at least on paper responsible to the UN Secretary General for matters concerning the defense of South Korea, the legal lines of authority tended to become somewhat confused. Of course, we didn't have a MacArthur in Korea; our CINCs made sure that they reported to Washington religiously, but the whole set-up could have been a difficult one if the wrong people had been assigned. As it was, it worked quite well, even with a Singlaub who felt he had to chastise his President publicly on two occasions. The whole situation required the closest coordination between American elements and we regularly exchanged information between ourselves. I think it worked very well.

We had very interesting policy problems in Korea. With the advent of the Carter administration, we had one major psychological issue. That was Carter's campaign promise to withdraw American troops (the 2nd Division and some Air Force components) from South Korea. That was a major public relations problem for us. Although Carter did not mention the matter much again during his administration, there was always an undercurrent of concern among the Koreans. In fact, there were some demonstrations by veterans groups and women groups against U.S. withdrawal. They were obviously government sponsored and even though there were some Koreans that entered the Chancery and its grounds, we didn't react with any great concern because we knew that the government would not permit them to get out of control. We, of course, made our usual demarches, but the “invasions” were not issues which raised our blood levels very high. They were timed to some mention in the U.S. of troop withdrawal and represented more than anything else the government's anxiety about the possibility. We in the Embassy walked a fine line: we could not deny that candidate Carter had said that he would withdraw the troops, we could not deny that periodically some high level official in Washington said the same thing, but on the other hand, we were always quick to point out to our Korean counterparts that no order had been issued and that any withdrawals, of which there were some minor ones, would only occur over a long period of time, if ever. We could honestly say that we had no instructions to the contrary and that therefore as far as we knew, our policy to remain in Korea stood as it had since the Korean War. I suspect that the U.S. military went further than that and probably led the Koreans to believe that we would never leave until so requested by them. They also probably told the Koreans that they were very opposed to any troop withdrawal and were fighting in Washington to stay in Korea. The U.S. military had another problem that received considerable attention at least in the Pentagon. There was no suitable alternative location for the 2nd Division. If it had to be returned to the U.S., it either would have had to be disbanded or broken up and sent to a number of different locations in the United States. That would have been a major problem for the Pentagon. Furthermore, it would have been much more expensive to have the Division in the U.S. and it would have had far greater difficulty finding suitable training grounds. So the Pentagon, for reasons beyond foreign policy, was very much set against the withdrawal of the 2nd Division.

We in the Embassy never went that far in our pronouncements to the Koreans, whether private or public. We never received any guidance from the Department that we could use and therefore were left pretty much to our own devices. We could not say much publicly, and therefore were not able to conduct an effective public relations counter attack and were periodically attacked for being an “older brother” who was about to abandon his “younger brother” to the beasts of the North. Of course, General Singlaub's outbursts on the issue were not very helpful. In the first place, he just stirred up further Korean anxieties. And in the second place, after all the preaching we had been doing about the military staying out of politics, to have an American general make statements about policy was not helpful. He was admonished by General Vessey after the first episode and that became widely known in Seoul. Singlaub was recalled to the U.S. after the second time and retired from the Army and went on to reappear later again in a different political mess. The issue was never really settled until Carter's visit in 1979, when he and Brzezinski were finally convinced by our Ambassador, Bill Gleysteen, that the withdrawal of our 2nd Division really didn't make sense.

The resolution of our military presence in Korea resulted from an interesting decision making process. After Carter arrived in Seoul and discussions among Americans about the policy began, the President decided that he wanted to see whether the North Koreans would be willing to pay some price for a decision which they had long held responsible for the tensions on the peninsula. The President was willing to listen to any suggestions that the North Koreans might have either on troop withdrawal and the cessation of our annual joint military exercise called “Team Spirit” or some action on our part. We had no diplomatic relationships with North Korea. So we used our Embassy in Jakarta, Indonesia, as the intermediary to Pyongyang in North Korea. We were in touch with our Charge' in Jakarta, Ed Mulcahy, who then relayed our messages to his North Korean counterpart who then sent a message to Pyongyang and then back again. It was a very clumsy way of doing business. It was ill-fated from the beginning. I had to find Mulcahy, who of course had no warning that he would be used as a messenger. So at the beginning, he wasn't even in Jakarta, as I remember it. The Embassy there had to find him and bring him back. That took some time and you have to remember that Carter was in Seoul for less than three days. In any case, the process had no chance of success. You just don't spring a major initiative on any country; there have to be preparations and the development of some basis for at least consideration. I am sure that the North Koreans saw it immediately as some kind of a trap; they flatly rejected it and didn't even leave any room for additional discussion. After that, while Carter, Brzezinski and Gleysteen were together in the Presidential limousine parked outside the Ambassador's residence, the President finally decided to suspend any further discussion of troop withdrawal. He so told President Park later. But that was as close as I have ever seen policy making “on the run”. It was very clumsy and ad hoc and certainly not a textbook illustration of how policy should be made.

We in the Embassy were interested in maintaining an American military presence not only as a deterrent against North Korean adventurism, but also because we had some questions about South Korean intentions. We knew, for example, that one of Korea's highly classified military R&D facilities had been assigned the task of producing a long range missile which would have had sufficient range to hit Pyongyang. The Koreans made no secret of having developed an unmanned drone which under some scenarios might have carried a small weapon as far as Pyongyang. It could not have done much damage, but might have had some psychological effect. But a missile was a different story. The development of this weapon system was an interesting story in itself. The head of the facility was the former physics professor of President Park Chung Hee's daughter. We believed that the professor communicated through the daughter to the President. It was never clear to us that the even the senior Korean military officers were aware of what was going on in that facility. It was quite plausible to assume that Park was giving the matter his personal direction because he didn't want us to know and was concerned that his military might “spill the beans”. As every dictator, Park trusted no one, except perhaps his daughter. We were very concerned about this development because when you have no brake on the decision-maker, even an ally, the United States might find itself faced with a situation which did not have a good solution. The American military presence served as a brake on any designs that any one in South Korea might have regarding the North. So it served a number of purposes and our policy discussions reflected that point of view.

Another area that gave us major problems was the human rights policy. The Carter administration made it the centerpiece of its foreign policy. We used to get periodic messages reminding us of the importance of human rights to the U.S. and requesting us to make the appropriate representations to the Koreans, particularly about “political” prisoners. I myself paid a number of calls on the Foreign Minister to make our pitch and I believe that even on one occasion, I made a presentation to President Park about human rights. It was very difficult to discuss human rights in a dictatorship. The leaders turned a deaf ear, even if they knew to what we were referring. They would nod and try to go on to the next subject. The Korean answer was the standard one: “We are all for human rights, but you are talking about criminals. They have violated the laws of their country and must be punished!”. We had a number of problems with making the human rights presentation. In the first place, we had other objectives in Korea, which were high on our national interest agenda. Stability on the peninsula and thereby avoidance of the possibility of becoming entangled in another war on the mainland of Asia had to be Number One. That objective had to take precedence over all other. The Regional Bureau understood that; the Pentagon understood that and I would guess most of Washington did. But there was the Human Rights Bureau, which was doing its job and kept pushing for stronger actions against the Koreans. There were also Members of Congress who supported the Human Rights Bureau for reasons of their own as there were Members on the other side who viewed other interests as having higher priority. By this time, we had very little leverage with the Koreans. Our assistance program had been terminated; we had economic investments and trade with Korea that many forces in the United States did not wish to see interrupted; on the contrary, it was in our interest that the Korean economy grow. So we did not in the late '70s have any sanctions that we could rationally apply.

We had another major problem with human rights which is still present today and has just recently manifested itself again at the UN Human Rights conference in Vienna. Human rights is a Western philosophy, based on Judeo-Christian theology. In Korea, we were in a Confucian society. The Koreans as well as many people from other cultures resented our efforts to impose our heritage on them. The West fundamentally thinks in terms of individual rights; the Confucians and many other cultures look to societal rights which places the group's interests ahead of the individual freedom and rights. The challenge of bringing a Western view into an Oriental society was never really bridged. The government always agreed that human rights were very important objectives, but it was never clear to me that either it or the Korean population understood or felt the values that we were propounding. This is despite the fact that a lot of prominent Koreans were educated in the United States and enjoyed their individual freedoms while here, as well as suffering from some of the prejudices of racism. But fundamentally, very few, if any understood our philosophical motivations because we were asking them to break with century-old traditions and concepts. We were reporting that we had made the case for human rights, or more specifically, for the liberation of certain political prisoners, but in fact the cultural gap between the Koreans and us was far too wide for understanding. They thought that we gave too much credence to the rights of the individual and not enough to the rights of the community or society. You just can't transplant one philosophical concept into a foreign culture and I am not sure that even today, although the era of political prisoners was essentially past and the concept of human rights is fully supported by the present Korean regime, the concept and the supporting rationale are fully felt and understood in that society.

We also had tensions with the Korean government over Tongsun Park whom I mentioned earlier. I don't know that we have ever gotten the full story of Park's activities. Park was the Korean who was accused of passing white envelopes filled with money to a number of American Congressmen. He had investments in the United States as well as England and other countries. He was accused of bribery. That brought up the issue of jurisdiction; i.e. whether he should be tried in the United States or Korea. The Koreans maintained that as long as he was in Korea, they had jurisdiction and would punish any criminal activity. We insisted that since the alleged crimes took place on U.S. territory, Park was subject to U.S. courts. In fact, we weren't as interested in Park as we were in his testimony against the Congressmen. The debate on this issue went back and forth for many months. Related to the controversy was a question of rice exports. Our exporters were anxious to expand their Korean markets. They had a number of Congressmen, representing both the producers and the middlemen, who pushed the Koreans very hard to buy more and more rice. In exchange, the Koreans wanted more economic and military assistance and since the chairman of the assistance subcommittee was Congressman Otto Passman of Louisiana, an unholy alliance developed that was very useful to both sides for many, many years. Tongsun Park became involved and finally the Justice Department decided to do something about the alleged payoffs. The Department wanted Park's testimony in a U.S. court and the Koreans refused to let him leave the country. They were of course afraid that he would tell more than they wanted to be known. The compromise was that Justice could take Park's deposition in Seoul in the presence of his lawyer and Korean government officials. Ben Civiletti, then the Deputy Attorney General, came to Seoul with a team of Justice officials for a number of days to take Park's testimony. This whole affair created a major stir in Korea with all the nationalistic fervor that the government could engender being brought out fully. The United States was accused of meddling in the internal affairs of another sovereign nation, although I hardly think that was an accurate depiction of the situation. Furthermore, the Korean people did not understand our aversion to pay-offs to Congressmen; that was part of their normal political process with money flowing from the well-off to the Congressman who would then spread it out to his constituents in terms of gifts on appropriate occasions like weddings, deaths and elections. In Korea, money passed to and from Congressmen over the table; it was part of the Korean tradition. We had a very difficult time explaining why we frowned on funds being passed to our Congressmen. I might just mention that Passman was not the only Congressman who had close ties to Korea. There were others who came to Seoul and left without touching base with the Embassy and we never knew what had been discussed and with whom. Charlie Wilson of Texas, I believe, was one of those, but there was no question that the Koreans had close ties to a number of U.S. Congressmen. At a later time, when I was advising Tom Jones, the CEO of Northrop, he too preferred to meet with the President of Korea alone. Neither I or anyone from the Embassy was in on that meeting. I think that is a very dangerous practice for any American official or private person; it raises unnecessary suspicions, although in Northrop's case I might note that (after I had severed my ties with the company) it was accused both in the United States and in Korea of illegal activities (i.e. bribery).

We had problems in the economic area because of trade barriers. A fuller discussion of that problem is contained in John Bennett's oral history. I was always amazed by how many problems we had with a country of 35 million people. Hardly a week went by without one crisis or another and sometimes we had two or three issues being discussed at the same time. Our phones rang at night periodically with calls from Washington who would try to talk to us at the end of its working day, which was the middle of the night for us. It was constant series of problems and issues and many of them were major. It was unbelievable.

We had a major uproar about Park Chung Hee's office being bugged by CIA. As far as I know, there was no truth to it at least while we were in Korea. It may have happened in earlier times; Ambassador William Porter (1967-71) affirmed that it had. We kept denying it until the story finally died out, but in the meantime, the Korean papers had a wonderful time. I was asked about it on a number of occasions because there were some Koreans who believed that I really was the senior CIA man in Seoul. We were friendly with the Brewsters and the Grealys—the CIA station chiefs—and the Koreans drew the wrong conclusions. But of course no one would accept the denials since even if it were true, we would not admit it. I think that Grealy didn't discourage the speculation too much because it gave him some cover, although most of our CIA staff was known to the Koreans because we declared them as such, as we do in many friendly countries. CIA operations have a number of strange side effects. I used to have some conversations with a senior government official and in the next few days, I was told by our people what I had said. They obviously had a plant in that office; it was an eerie feeling.

Despite the fact that we were viewed as the “big brother”, there was a detectable undercurrent of anti-Americanism in the Korean population. I don't think it was a majority view, but I suspect there was more there than we were willing to admit. The Korean press particularly, but some academics and other leaders, took every opportunity to tweak Uncle Sam. It was not an unusual phenomenon in the world even in friendly countries; it was a way to vent some frustration with domestic political policies, for example, without running any risk. As long as some unpopular policy could be blamed on the Americans, that was perfectly acceptable. We would not bring any retribution and President Park couldn't care less because it didn't affect his leadership. He may have stimulated some of it just to get a message to us how annoyed he was in having to so something that he didn't really want to. I think this particularly true in the economic and trade area. Our dialogue with the

Koreans was made more difficult because both sides started with differing assumptions. As I said, we were viewed as “big brothers”; that meant that we were expected not only to protect Korea, but it implied that the United States had a special responsibility to take care of Korea. We never accepted that premise. I would have long discussions, particularly with the Korean military, about that perception and would emphatically deny any family relationship between Korea and the United States. It was true that we had come to Korea's defense and that we had provided massive assistance, but it did not mean that because we built the house, we were responsible for its maintenance forever. We insisted that we were two sovereign nations who had to act in our own national self-interest. I don't know that we have bridged that gap at least until very recently. In my time, the Koreans did not view the world the same way we did. They were therefore periodically disappointed with us because we did not act like “older brothers”.

The Koreans did not understand why we permitted North Korean sympathizers to demonstrate or speak out against South Korea. These Koreans had free access to the media and used to criticize Park Chung Hee and his regime publicly and with high visibility. South Koreans could not understand how we could permit these people to attack one of our allies, particularly since it was clear that the North Koreans in the United States were funded by Pyongyang. We spent some time trying to explain the Constitutional rights of free speech and free press. There again we ran into the cultural differences that I discussed earlier with Koreans giving much greater weight to the rights of society over those of individuals.

I should say before closing this part of the history that I found most Koreans to be very congenial. They are known as the “Irish of the East”. They do have many of the attributes that we credit to the Irish. They boast, they drink, they are sometimes very loud, and they are very friendly. They are easy to get to know unlike their neighbors, the Japanese. We made a lot of good friends, a number of whom we are still in touch with even fifteen years later. There were some fascinating characters. One was Chung Il Kwan, who was the Speaker of the House, who was the only man I know who served in four different armies.

He served in the Russian, Chinese, North Korean and South Korean armed forces, ending up as the Chief of Staff of the South Korean Army. I always tried to encourage him to write his memoirs because he had so many fascinating experiences, but he refused because he knew more than the regime was comfortable with and he was always concerned that Park Chung Hee would exact some retribution if the word ever got out that he was writing about his life.

President Park, whom I got to know relatively well, was a very interesting person. He was by all measures the smartest Korean I met. He was quick; he understood; he never spoke very much, but what he said was always to the point. He was hard to engage in chit-chat; he did not have much of a flair for social conversation. The meetings with him were never very long; he got to the issue in a hurry; neither of us ever left a meeting without having understood the other's point of view.

*Q: What was the Embassy's view of Park in the 1976-79 period?*

STERN: In the first place, we had serious differences with him on human rights and his style of regime. But we were impressed by Park Chung Hee. As I said, we knew he was no fool and perhaps beneath the surface, we recognized that there was some basis for his approach. The Koreans historically had periods of instability. Their greatest accomplishments came when under strong leadership. In the late '70s, the economic development of Korea needed central guidance. There will always be a debate whether economic or political development should come first. There probably is not a single answer applicable to all societies and situations. But in Korea's case, there is no question in my mind that economic growth eventually brought democracy. It is not clear to me that the reverse would have been true. Park, although no economist and not involved on a daily basis in economic decisions, supported a major policy change in the early 70s which turned Korea from efforts to become self-sufficient by trying to produce all its needs (known as the “import substitution” policy) to one that emphasized trade. The earlier policy was very wasteful because the Koreans did not have the capital, the resources and the manpower to be really self-sufficient. It did however have the advantage of having a relatively low-wage, high skilled working population and therefore, with adequate financial investment could and did become a formidable producers of certain goods which it exported very successfully. That policy expanded Korea's GNP by double-digit percentages annually and resulted in a steady, but palpable annual rise in the standard of living. Park made sure that the countryside was not neglected and the rural population, which is often left behind in a rapidly expanding economy, was not neglected and became a source of great support for the Park regime.

Park brought self-respect to Korea. He had the support of the military, not only because he controlled promotions and assignments, but also because, as I mentioned earlier, he raised their level of respect from the population so that becoming a military officer was a goal for many. His dictatorial style was not acceptable to us. Our distaste was not helped by the excesses of some of his subordinates. There is no question that Kim Dae Jung's kidnapping from Tokyo in the early '70s was approved by Park, but there were probably many incidents of illegal and forced captivity and torture that was conducted by KCIA (Korean Central Intelligence Agency) without the specific approval of the President. I suspect that many Koreans supported Park because he brought stability and insured their safety. Koreans in general have a conservative streak in them, except perhaps in academic circles, both faculty and students. Of course, Park's repressive policies were made more acceptable by the threat, perceived and real, that Korea's neighbors—North Korea, China and Japan—presented. The Koreans felt that they were surrounded by enemies and that they had to pull together for their common safety. That made the Koreans more willing to surrender many of their freedoms. There were some individuals and groups even during the late '70s that periodically demonstrated against Park's regime, but they were no match for the police and the KCIA. Park did let some dissidents like Kim Ok Gill, Reverend Moon Il Kwan and former President Yun Po Sun, have their public say until he felt that their message was becoming too threatening to his power and then he would put them away in jail for a while. It was a cat and mouse game to some extend with the dissidents seeing how far they could go and then finding out. The Maryknoll priests, most of whom were Americans, also were in the vanguard of the opposition, particularly on labor issues. We used to decry the repression of these voices of dissent quite vigorously, both because that was our policy and because we felt that repression provided fertile ground for Communist penetration, but we also recognized that Park could have been far worse, which would have caused a real dilemma for U.S. foreign policy. Without in any way giving any kind of approval to Park's methods, I think one must give him credit for the stability he brought to Korea which permitted its unprecedented economic growth which eventually brought democracy to the country.

*Q: You were the DCM to two Ambassadors who were entirely different personalities. Did you note a difference in the Embassy's effectiveness?*

STERN: I believe that we had a very effective and well staffed Embassy throughout my period in Seoul. But the operations were different. Both Ambassadors were highly intelligent and knew their stuff. Both knew Korea well and developed good contacts. Dick Sneider was hard-charging, often brusque. He was not beloved by the staff and the DCM often had to play the role of the intermediary and buffer. As I mentioned before, Dick and General Stilwell hardly spoke to each other. Bill Gleysteen, on the other hand, had a very close relationship with General Vessey and I think that made the U.S. presence in Seoul more effective. Bill was a gentle man, who never raised his voice and was always thoughtful and kind. Dick talked to his DCM and his counselors, but was not ever very interested in his staff in general. But I had the highest regard for his insights. His “end of tour” cable was a masterpiece which never got the attention that it deserved. He presaged the need for some American institution to train Koreans in the democratic process—how to hold elections, decentralize governmental power, etc. Washington did not have the means to respond at the time and in fact it took almost seven years before such mechanisms (e.g. The National Endowment for Democracy) were put in place. Dick had incorporated that concept in that cable. The AFL-CIO had representation in Korea trying to strengthen labor units, but it was not very effective and was perhaps counter-productive because the rest of Korean society was not ready for strong labor unions which might go on strike. Bill Gleysteen brought another dimension to the role; he was genuinely liked by the Koreans and was credited, as he should have been, for changing Carter's mind and U.S. policy on troop withdrawal. After I left, Park was assassinated and the country was subjected to some very unfortunate military repressive actions which it is alleged involved the U.S. Ambassador and the CINC. But I had left by that time and I don't know more than was in the newspapers. But while I was there, Bill was highly regarded by all and I think our Embassy worked very well under both Ambassadors. I believe that Inspection Team gave us a very high rating which was well deserved. It was an effective institution in the 1976-79 period which was staffed with some outstanding talent, like Bill Clark, later an Ambassador and Assistant Secretary, Paul Cleveland, also an Ambassador later, John Bennett and Tony Gaber. All were first class, as were many of the younger officers.

*Q: You left Seoul in mid-79. Then where were you assigned?*

STERN: I was assigned to Washington once more. I wanted to have another overseas assignment. I begged for another one. The best that Personnel could do was to say that if I came back to Washington, it would be a temporary assignment and that I would be returned overseas soon thereafter. The temporary assignment was that of Special Assistant to the Under Secretary for Security Assistance, Lucy Taft Benson. I reluctantly returned to what turned out be a terrible job, probably the worst of my career. I spent most of my time in “turf” fights because Benson was not a strong player in the bureaucracy. Her main support came from Tip O'Neill. She had been the President of the leading national women's organization of the time, but didn't understand bureaucracy or the security assistance or any subject for which she was responsible. Her staff had not protected her, so that the bureaucracy had become accustomed to by-passing her and her office and getting their policy guidance and decisions from other Under Secretaries. So I spent a very unhappy four or five months trying to bring her back into the action. That meant a lot of hassling of the bureaucracy, reminding it of the existence of the Under Secretary for Security Assistance who had some responsibilities which she should be permitted to exercise.

The only thing I really got out of that job was a “deluxe” trip to Egypt and Jordan in December of 1979. Benson had not announced that she had planned to resign by the end of the year, but had in effect decided to do so. Since no one knew of her plans, Embassies and governments received her as a very senior and influential U.S. government official. For example, the Egyptian government provided us with a free trip up the Nile for five days on one of the tour boats, escorted by a private guide and a company of Egyptian soldiers who met us wherever we landed. I suspect that there may well have been some Egyptian security officials on board as well. In any case, we were well protected. We visited a lot of the antiquities, followed by our a contingent of Egyptian troops. It was a sight to behold. Our guide was an East Germany woman, married to one of the Under Secretaries of one of the Ministries. She was fluent in English and knew all the places we visited, although at each stop we had the services of a local guide in addition. Roy Atherton, then our Ambassador in Cairo, became very upset when towards the end of our visit, he found out that Benson was there as part of a farewell tour. He had some harsh words to say and I think he probably was right. He had set up a meeting for us with Sadat, during which we also met Mubarak. He had gone through a lot of trouble to arrange the visit, all of which was for nought because Benson wasn't going to be able to do anything about any requests that she may have received from the Egyptians or the Embassy. The same thing happened in Jordan. We had a meeting with King Hussein at the palace. But the main purpose of the trip was sightseeing and we certainly did that. But it was the only benefit of that job.

When Benson left, the Department did not honor its commitment to reassign me overseas. Under the circumstances, I retired in early 1980 at the tender age of 52; I could not face the prospects of another year or so, fighting bureaucratic wars in Washington. I kept up my contacts with the Department for a few more years as a consultant, but essentially started another career in 1980. I had had an interesting career of almost thirty years, with three great assignments and some other interesting ones. I met a lot of very intelligent and interesting people, both in the Department and overseas. I have no regrets about my career choice. I only wish it could have ended on a somewhat happier note.

End of interview